

MEETING: CABINET
DATE: Thursday 16th February, 2012
TIME: 10.00 am
VENUE: Town Hall, Bootle

Member

Councillor

Councillor P. Dowd (Chair)
Councillor Booth
Councillor Brodie - Browne
Councillor Fairclough
Councillor Maher
Councillor Moncur
Councillor Parry
Councillor Porter
Councillor Robertson
Councillor Shaw

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The Cabinet is responsible for making what are known as Key Decisions, which will be notified on the Forward Plan. Items marked with an * on the agenda involve Key Decisions

A key decision, as defined in the Council's Constitution, is: -

- any Executive decision that is not in the Annual Revenue Budget and Capital Programme approved by the Council and which requires a gross budget expenditure, saving or virement of more than £100,000 or more than 2% of a Departmental budget, whichever is the greater
- any Executive decision where the outcome will have a significant impact on a significant number of people living or working in two or more Wards

If you have any special needs that may require arrangements to facilitate your attendance at this meeting, please contact the Committee Officer named above, who will endeavour to assist.

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AGENDA

Items marked with an * involve key decisions

<u>Item No.</u>	<u>Subject/Author(s)</u>	<u>Wards Affected</u>	
1.	Apologies for Absence		
2.	Declarations of Interest Members and Officers are requested to give notice of any personal or prejudicial interest and the nature of that interest, relating to any item on the agenda in accordance with the relevant Code of Conduct.		
3.	Minutes of Previous Meeting Minutes of the meeting held on 2 February 2012		(Pages 5 - 24)
* 4.	Transformation Programme 2011 - 2014 Report of the Chief Executive to follow	All Wards	
* 5.	Local Government Act 2003 - Chief Financial Officer's Requirements Report of the Head of Corporate Finance and ICT to follow	All Wards	
* 6.	Framework Budget Recommendation 2012/13 Report of the Chief Executive to follow	All Wards	
* 7.	Capital Programme 2011/12 and Capital Allocations 2012/13 Report of the Head of Corporate Finance and ICT	All Wards	(Pages 25 - 44)
* 8.	Treasury Management Policy and Strategy 2012/13 Report of the Head of Corporate Finance and ICT	All Wards	(Pages 45 - 76)

* 9.	The Prudential Code for Capital Finance in Local Authorities - Prudential Indicators 2012/13 Report of the Head of Corporate Finance and ICT	All Wards	(Pages 77 - 88)
* 10.	Regional Growth Fund Bid for the North Liverpool and South Sefton Strategic Regeneration Framework Report of the Director of Built Environment	Derby; Linacre	(Pages 89 - 98)
* 11.	Local Development Scheme for Sefton Report of the Director of Built Environment	All Wards	(Pages 99 - 104)
12.	Redundancy Pay Policy Report of the Director of Corporate Support Services	All Wards	(Pages 105 - 110)
13.	Notice to Withdraw from Local Government Association Membership Report of the Head of Corporate Legal Services to follow	All Wards	

THE "CALL-IN" PERIOD FOR THIS SET OF MINUTES ENDS AT 12 NOON ON WEDNESDAY 15 FEBRUARY 2012. MINUTE NO. 94(8) AND (10) IS NOT SUBJECT TO "CALL-IN"

CABINET

MEETING HELD AT THE TOWN HALL, BOOTLE ON THURSDAY 2ND FEBRUARY, 2012

PRESENT: Councillor P. Dowd (in the Chair)
Councillors Booth, Brodie - Browne, Fairclough,
Maher, Moncur, Parry, Porter, Robertson and Shaw

91. APOLOGIES FOR ABSENCE

No apologies for absence were received.

92. DECLARATIONS OF INTEREST

The following declaration of interest was received:

<u>Member/Officer</u>	<u>Minute No.</u>	<u>Reason</u>	<u>Action</u>
Councillor Shaw	94 - Transformation Programme 2011- 2014	Personal – His son is employed by Sefton Library Service which will be affected by issues referred to in the report	Stayed in the room and took part in the consideration of the item

93. MINUTES OF PREVIOUS MEETING

RESOLVED:

That the Minutes of the Cabinet Meeting held on 19 January 2012 be confirmed as a correct record.

94. TRANSFORMATION PROGRAMME 2011 - 2014

Further to Minute No. 81 of the meeting held on 19 January 2012, the Cabinet considered the report of the Chief Executive detailing the progress made towards the establishment of the budget for 2012/13 and the reviews of services and consultation processes completed and in progress, as part of the Transformation Programme.

The report comprised of three parts and incorporated the following information:

Part A - Low and Medium Impact Options

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- Introduction/Background
- Work Programme and Prioritisation
- Consultation and Engagement Overview
- Impact Assessment Overview
- Risk Management Overview
- Options not to be progressed
- Options to be redefined
- Reviews
- Low and Medium Impact Options to Progress
- Options requiring further consideration
- Conclusion

Part B - Progress made in relation to Landscape Services

Part C - Progress made in relation to Supporting People Commissioned Services

The Chief Executive introduced the content of the report which contained details of the consultation feedback (20,000 responses from service users and the public), the equality analysis assessment, risks and the mitigating actions for each budget saving proposal set out in the report. She referred to the extensive consultation exercise undertaken by the Council on the options and made Members aware that the report contained a range of implications for service users and Members of staff affected by the proposals in the report.

The Chief Executive outlined to Members that the report contained complex, comprehensive and detailed information. In light of the scale of information being presented to Members, the Chief Executive confirmed that all Members had a further opportunity to seek additional information or clarification.

The Chief Executive requested the Cabinet to consider the low and medium impact options in the report at this meeting and the proposals relating to Landscape Services and Supporting People Commissioned Services at the next Cabinet Meeting on 16 February 2012. Mitigating actions had been identified by consultees and wherever possible, Officers had sought or would seek to incorporate these suggestions. Overwhelmingly, the consultation responses did not support some of the difficult decisions that Members faced. However, the Council must set a balanced budget and the level of Council Tax for 2012/13 at the Budget Council Meeting on 1 March 2012.

The Leader of the Council, in furtherance of the Chief Executive's introduction, re-iterated the significance of the consultees' responses and took the opportunity to thank respondents for their various contributions. Cabinet Members acknowledged the receipt of further communications received by them in their capacity as ward Members.

Members of the Cabinet expressed their appreciation for the high volume of responses received from service users, partners and the public in general to the consultation exercise undertaken on all of the budget savings options and thanked the Officers for the quality of the consultation work.

The Leader of the Council reminded Cabinet Members to ask questions about the reports in front of them, with particular reference to the outcome of consultation, equality analysis reports, risks and mitigating actions.

A Member of Cabinet sought clarification on the consequences should the Council fail to set a balanced budget. The Chief Executive responded by explaining that there was sufficient time to allow another Council meeting to take place after 1 March 2012 before statutorily it has to set its budget. If a budget had not been set by the statutory date, then key Officers and central Government have some default powers which may need to be invoked.

A Member of Cabinet asked “How can we demonstrate that we have listened to the consultation responses?” It was recognised that consultee responses overwhelmingly were not in support of many of the proposals. A range of mitigating actions had been identified. In addition, where consultee responses had offered suggestions or ideas, those would be acted upon wherever possible.

Members of the Cabinet raised questions/comments on the following budget savings options set out in the report and Officers responded to the issues as indicated below:

Ref	Service Area	Proposal	Comment / Response
E1.2	Respite Children's	Reduce planned expenditure through increased efficiency	<p>How can we demonstrate that we have listened to the consultation responses in relation to this proposal?</p> <p>Response: In addition to the consultation letters sent to the families of service users, two meetings were held with Carers to discuss the proposals for improved placement planning at Nazareth House and Springbrook Centre.</p> <p>For Nazareth House, the revised commissioning arrangement for beds would reduce the budget costs for</p>

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			<p>the Council but it would not reduce the level of provision for service users.</p> <p>For Springbrook Centre, the core offer is currently 2 nights mid week respite cover for two months with a third month being a 3 nights weekend break. This would be revised to 3 nights mid week cover for two months with every other month being a 3 nights weekend break. This would increase the offer from 28 nights per year to 30 nights per year. This proposal was brought forward by staff at Springbrook in the context of parental feedback.</p> <p>The proposals had been welcomed by the service users consulted.</p>
E3.6	Sports and Recreation	Review of the life guard cover at all swimming pools	<p>How will we ensure the safety of children and vulnerable users?</p> <p>Response:</p> <p>Attention was drawn to the significant consultation response and it was noted that the particular issues raised with regard to children's safety fell broadly into the following 3 categories:</p> <ul style="list-style-type: none"> • Use by children during early evening, weekends and school holidays • School swimming lessons • Use of learner pool <p>In terms of the first point, cover would be restricted to the period from 09.00 to 20.00. Accordingly this would provide lifeguard cover when</p>

			<p>children are most likely to use the pool. It was noted that there would be a reduced cover during school swimming lessons which are run by specialised swimming teachers who can provide cover. In terms of the learner pool, children can only use the pool if accompanied by an adult. Other Centre staff would be available to assist service users and additional staff could be called by the activation of pool emergency alarms, to be signposted at several points around the pool sides. A full risk assessment would be undertaken at each facility.</p>
E3.13	Library Services	Consider the future requirement of the mobile library service	<p>What is the proposed date for the cessation of the service and what action would need to be taken with regard to service users with mobility issues?</p> <p>Response: The proposed cessation will take place by 30 June 2012. The lease company for the mobile vehicle, service users and staff would need to be notified.</p> <p>The consultation indicated that there are people with disabilities and older people who use the mobile library. Of the 33 respondents who had used the mobile library service over the past 12 months, the majority were over 55 and/or had a disability.</p> <p>Service users would be advised of the volunteer home visit service and other mitigating actions referred to in the report. It was also</p>

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			indicated that in circumstances of extreme needs, consideration could be given to posting books out to individuals and looking to extend the Talking Books arrangements.
E4.4	Highways Maintenance	A further reduction in Highways Grounds Maintenance Works Budgets which will be delivered by a reduction in the number of cuts to all highway grassed areas	<p>What would be the impact of this proposal on any accessibility and visibility issues and would the Council still meet its statutory obligations?</p> <p>Response: The contract would be reduced from 11 cuts to eight cuts per annum and the frequency of the cuts would change from every three weeks to every four weeks. There would be no serious implications to the level of service and the Council's statutory duties would continue to be fulfilled</p>
E4.5	Parks and Green Spaces	Reductions in the arrangement for management and maintenance of parks and green spaces.	<p>Concern raised about the proposal to cease the daily safety inspections of play areas although fortnightly inspections would remain.</p> <p>Response: An Officer will report back to Cabinet Members on 16 February.</p>
E4.6	Parks and Green Spaces	Recharge formal sports users and allotment users the costs of provision of utilities at pavilions, allotment sites etc	<p>Concern raised about the proposed increase in charges for the use of bowling greens in comparison to charges for the use of football pitches by adult users.</p> <p>Response: Further information would be provided in the report to the Cabinet Meeting on 16 February 2012</p>

E4.8	Parks and Green Spaces	Closure of Aviary, Nursery Shop and Fernery at Botanic Gardens and Conservatory at Hesketh Park	<p>Concern raised about the potential loss of the facilities which are a tourist attraction and the costs involved in dismantling the aviary. One Cabinet Member suggested that the costs of this proposal should be off-set by the savings made on the cessation of the Council's membership of the Local Government Association</p> <p>Response: This will be considered as part of the proposed redesign. Further information would be provided in the report to the Cabinet Meeting on 16 February 2012</p>
E4.10	Parks and Green Spaces	Cessation of Park Ranger functions	Can you provide further information on the staff duties for these two service areas and the impact of the proposals on service users?
E4.11	Coast and Countryside Service/ Parks and Green Spaces	Merger of Parks & Coastal Ranger Functions	<p>Response: Further information would be provided in the report to the Cabinet Meeting on 16 February 2012</p>
E4.12	Coast and Countryside Service	Reduction to site and visitor management activities	<p>Can you provide details of the sand clearance work currently undertaken in the Crosby area?</p> <p>Response: Further information would be provided in the report to the Cabinet Meeting on 16 February 2012</p>
E6.6	Public Conveniences	Public Conveniences - Market Test	1) Would there be any accessibility problems for the public as a result of this proposal?

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			<p>Response: There would be no impact on service users as the public conveniences would continue to operate. There had been a very limited response to the consultations on this proposal.</p> <p>2) What steps would be taken to ensure we appoint the right type of contractor and what would be the contract monitoring arrangements?</p> <p>Response: Further information would be provided in the report to the Cabinet Meeting on 16 February 2012</p>
E6.7	Tourism	Review of Service	<p>Clarity was sought on how the service would migrate from its current accommodation to the Cultural Centre. This proposal would need to be examined in more detail at the Cabinet Meeting on 16 February 2012</p>

The Chief Executive requested the Cabinet Members to submit any further comments and questions to the appropriate officers by 6 February 2012 to enable any further information required by Members to be submitted for consideration at the next Cabinet meeting on 16 February 2012.

This was a Key Decision and was included in the Council's Forward Plan of Key Decisions.

RESOLVED: That:

Part A - Low and Medium Term Options

- (1) the work programme timetable contained in Annex A of Part A of the report be noted;
- (2) Officers be authorised in terms of the proposals included in the report, to prepare for implementation immediately, (subject to the

duty to consult with employees and trade unions) including the issue of relevant statutory and contractual notifications, subject to the final decision of the Council;

- (3) the detail within the equality analysis assessment, the consultation feedback and the mitigating actions for each budget saving option set out in the report had been taken into account in the decision making process;
- (4) the risks outlined in Section 5 of the report, including any mitigating actions identified, had been taken into account in the decision making process;
- (5) the options set out below are not in a position to contribute to the budget savings for 2012/13 as detailed below:

Ref	Service Area	Proposal	Action to be taken
E1.3	Children's Transport	Reduce planned expenditure through increased efficiency	It was agreed that it was not currently feasible to identify a budget reduction associated with the discretionary element of children's transport
E4.3	Capita Contract	Reduction and restructuring of a range of services currently delivered as part of the "Core" Contract	It was agreed that the achievement of this saving would be delayed in light of the decision to terminate the Capita contract
E5.6	Home Improvements	Bringing the Home Improvement agency service for Disabled Facility Grants in-house	That a formal procurement process to provide the Home Improvement agency service be undertaken
E6.10	Floral Hall	Retendering / disposal of Southport Theatre and Convention Centre	Officers to re-consider the best means of securing a cost saving while continuing the activity of the complex, either through re-tendering or consideration of the sale of the complex in the future, subject to the required approvals
E2.10	Fair Access to Care Criteria (FACS)	To review Sefton's application of the Fair Access	A wider review of the activities and resources associated with the application of the FACS

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		to Care Criteria with a proposal to raise the adult care eligibility threshold to 'Critical' only	criteria, to be completed by October 2012, with recommendations to be submitted to the Cabinet in November 2012
E2.6, E2.7 and E2.9	Older People	Review of policy - Quality Care Payments Inflation Provision	<ul style="list-style-type: none"> • The re-taking of the 2011/12 budget decision to make no increase to fees payable to Care Homes for 2011/12 be deferred until after the submission from the Sefton Care Association (in full) had been received; proper analysis alongside other relevant matters had been completed; and any necessary further consultation with Care Home Proprietors had been undertaken to inform the decision • Any decision in respect of the 2012/13 budget options E2.6, E2.7 and E2.9 (as it relates to care homes) be deferred to enable the consultation process to be reconsidered, alternative commissioning approaches explored and a further report submitted to Members.

- (6) in respect of the review of Community Care Practitioner (CCP) staffing options:
- (i) the information provided in the report be noted;
 - (ii) Members be requested to submit any requests for further information by 6 February in order to inform their recommendation on 16 February;
- (7) in respect of the Voluntary, Community, Faith (VCF) review:
- (i) the current position of the Review be noted;
 - (ii) the key messages identified from the results of the consultation be noted;

- (iii) Members be requested to submit any requests for further information by 6 February in order to inform their recommendation on 16 February;
- (8) the Council be requested to approve the following recommendations in respect of the budget saving options set out in Annex C of Part A of the report, after taking into account the relevant legislative framework and the issues raised in the consultation, the equality analysis assessment and the mitigating factors for each individual proposal:

Ref	Service Area	Proposal	Recommendation to Council
E1.2	Respite Children's	Reduce planned expenditure through increased efficiency	<ul style="list-style-type: none"> • The planned expenditure should be reduced through the efficiencies identified • Officers be authorised to prepare for implementation immediately, including the issue of relevant contractual notifications, if necessary, subject to the final decision of Council.
E1.4	Parenting Network - Think Family Grant	Cessation of universal parenting programmes	<ul style="list-style-type: none"> • The coordination of the network of practitioners delivering the Universal Parenting Programmes be ceased • Officers be authorised to prepare for implementation immediately, subject to the final decision of Council.
E1.7	Early Years Outcomes Monitoring and Quality Support Service	Reduce the level of Council funding in support of this service	<ul style="list-style-type: none"> • The core funding be reduced by 50% • Officers be authorised to prepare for implementation immediately, including the issue of relevant statutory and contractual notifications, if necessary, subject to the final decision of Council • It be noted that the Council would continue to deliver its statutory duties under Section 13 of the Childcare Act 2006.

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E3.6	Sports and Recreation	Review of the life guard cover at all swimming pools	<ul style="list-style-type: none"> • A limited reduction in life guard cover during the low risk periods identified be implemented • Officers be authorised to prepare for implementation immediately, (subject to the duty to consult with employees and trade unions) including the issue of relevant statutory notifications, if necessary, subject to the final decision of Council.
E3.12	Library Services	Restructure of the Local History and Information Services Team	<ul style="list-style-type: none"> • The Local History and Information Services Team be restructured, resulting in a reduced service • Officers be authorised to prepare for implementation immediately, (subject to the duty to consult with employees and trade unions) including the issue of relevant statutory notifications, if necessary, subject to the final decision of Council.
E3.13	Library Services	Consider the future requirement of the mobile library service	<ul style="list-style-type: none"> • Subject to employee and trade union consultations, the cessation of the mobile library service be implemented with effect from 30 June 2012 • Officers be authorised to prepare for implementation immediately, including the issue of relevant statutory and contractual notifications, if necessary, subject to the final decision of Council.
E4.2	Highways Maintenance	Temporary reduction in Highways Maintenance Works Budgets	<ul style="list-style-type: none"> • A temporary budget reduction of £400,000 be made for three years • Officers be authorised to

		(3 years)	prepare for implementation immediately, including the issue of relevant statutory and contractual notifications, if necessary, subject to the final decision of Council.
E4.9	Parks and Green Spaces	Cease supply of hanging baskets	<ul style="list-style-type: none"> • The cessation of the supply of all non-sponsored hanging baskets and a budget reduction of £30,000 be made • Officers be authorised to prepare for implementation immediately, including the issue of relevant contractual notifications, subject to the final decision of Council.
E5.4	Fairways Park and Ride	Ceasing the operation of Fairways Park and Ride facility on Saturdays	<ul style="list-style-type: none"> • The cessation of Fairways Park and Ride services on Saturday at a saving of £15,000 be made • Officers be authorised to prepare for implementation immediately, including the issue of relevant contractual notifications subject to the final decision of Council.
E5.7	Cemeteries and Crematoria	Review of charges	<ul style="list-style-type: none"> • The charge for the provision of a burial, cremation and associated services be increased as set out in the report • Officers be authorised to prepare for implementation immediately, including the issue of relevant contractual notifications, subject to the final decision of Council.

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E6.3	Other Area Committee Budgets	Reduction in Area Committee Budgets	A reduction of 10% in Area Committee Budgets be made and Officers be authorised to prepare for implementation immediately, subject to the final decision of Council.
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(9) the following proposals in respect of budget saving options set out in Annex C of Part A as set out below be deferred for further consideration at the Cabinet Meeting to be held on 16 February 2012:

Ref	Service Area	Proposal	Recommendation to be the subject of further consideration by the Cabinet
E4.4	Highways Maintenance	A further reduction in Highways Grounds Maintenance Works Budgets which will be delivered by a reduction in the number of cuts to all highway grassed areas	<ul style="list-style-type: none"> • A reduction of three cuts to all highway grassed areas, at a saving of £50,000, be made • Officers be authorised to prepare for implementation immediately, including the issue of relevant statutory and contractual notifications, if necessary, subject to the final decision of Council.
E6.6	Public Conveniences	Public Conveniences - Market Test	<ul style="list-style-type: none"> • A formal procurement process to provide the public convenience operational service be undertaken • Officers be authorised to prepare for implementation immediately, including the issue of relevant contractual notifications, subject to the final decision of Council.
E6.7	Tourism	Review of Service	<ul style="list-style-type: none"> • The Tourist Information Centre be relocated to the Southport Cultural Centre, resulting in a reduction to the Tourism budget of £90,000 • Officers be authorised to

			<p>prepare for implementation immediately, (subject to the duty to consult with employees and trade unions) including the issue of relevant statutory and contractual notifications, subject to the final decision of Council.</p>
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(10) the Council be requested to approve the following recommendations with regard to organisational changes and efficiencies to services, which do not require consultation with the public:

Ref	Service Area	Proposal	Recommendation to Council
E2.2	Supporting People Team - Commissioning Functions	To review staffing support	<ul style="list-style-type: none"> • A reduction in staffing be made • Officers be authorised to prepare for implementation immediately, which will be progressed alongside budget option E2.1 and as part of a wider review of departmental commissioning resources, (subject to the duty to consult with employees and trade unions) including the issue of relevant statutory notifications, subject to the final decision of Council.
E2.8	Area Finance	Review of processes and staffing arrangements	<ul style="list-style-type: none"> • A reduction in staffing be made • Officers be authorised to prepare for implementation immediately, (subject to the duty to consult with employees and trade unions) including the issue of relevant statutory notifications, subject to the final decision of Council.

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E3.7	Sports and Recreation	Reduce the coaching and casual staff budget at Litherland Sports Park	<ul style="list-style-type: none"> • A reduction in the coaching and casual staff budget at Litherland Sports Park be made • Officers be authorised to prepare for implementation immediately, (subject to the duty to consult with employees and trade unions) including the issue of relevant statutory notifications, subject to the final decision of Council.
E3.9	Library Services	Reduce the stock fund for the purchase of books and other materials and the Stock Fund Services Unit be restructured	<ul style="list-style-type: none"> • The stock fund budget reduction of £100,000 be made • the Stock Fund Services Unit be restructured • Officers be authorised to prepare for implementation immediately, (subject to the duty to consult with employees and trade unions) including the issue of relevant statutory notifications, subject to the final decision of Council.

(11) it be noted that negotiations are on-going with regard to organisational changes and efficiencies for the following services, which do not require consultation with the public:

Ref	Service Area	Proposal
E3.1	Sports and Recreation	Review of the operational requirements that are expected of Parkwood Leisure in operating Crosby Leisure Centre
E3.5	Sports and Recreation	Review of the operational requirements that are expected of Formby Pool Trust for the operation of Formby Pool.

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Part B - Landscape Services

- (12) the proposals relating to Landscape Services in Part B of the report be considered at the Cabinet Meeting to be held on 16 February 2012; and

Part C - Supporting People Commissioned Services

- (13) the proposals relating to Supporting People Commissioned Services set out in Part C of the report be considered at the Cabinet Meeting to be held on 16 February 2012.

95. CARBON MANAGEMENT PLAN 2011-16 AND SEFTON SUSTAINABLE ENERGY ACTION PLAN

The Cabinet considered the report of the Director of Built Environment on proposals for the adoption of the Sefton Carbon Management Plan to reduce emissions and associated consumptions from the Council's property estate by 25% by 2016 and to agree the policy statement to shape the development of a Sefton Sustainable Energy Action Plan, which would provide a comprehensive local approach to sustainable energy for all Sefton communities.

This was a Key Decision and was included in the Council's Forward Plan of Key Decisions.

RESOLVED: That

- (1) it be agreed as Sefton Council corporate policy, that "Sefton Council will seek to reduce the carbon dioxide emissions from its activities by 25% from the 2009/10 baseline by 2016 through the delivery of the 2011 - 2016 Carbon Management Plan, as funding allows";
- (2) it be agreed as Sefton Council corporate policy that "Carbon Management is a common thread integrated through all service plans and binds together existing and future policies/strategies under a single umbrella of Carbon Management";
- (3) approval be given to the adoption of the Carbon Management Plan 2011 - 2016 set out in Annex 1 of the report, subject to the Head of Corporate Finance and ICT preparing a financial delivery plan within available resources;
- (4) it be agreed as Sefton-wide policy that "Sefton Council will meet challenges and seize opportunities to enable our households, our businesses and all our stakeholders to reduce their reliance on costly utility supplies, transport costs, reduce carbon emissions, maximise available resources and services for our communities and bring tangible benefits to Sefton's economy"; and

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- (5) approval be given to the development of a Sefton Sustainable Energy Action Plan that considers carbon reduction and economic development progress for the maximum benefit of Sefton communities and meets the criteria of the Covenant of Mayors.

96. PROGRAMME OF MEETINGS - 2012/13 MUNICIPAL YEAR

The Cabinet considered the report of the Director of Corporate Commissioning on the draft Programme of Meetings for the 2012/13 Municipal Year.

RESOLVED: That

- (1) the Programme of Cabinet Meetings for 2012/13 as set out in Annex A of the report be approved;
- (2) the Council be recommended to give approval to the Programme of Meetings for the Council, Member Briefing Sessions and Regulatory Committees; Overview and Scrutiny Committees; and Area Committees for 2012/13, as set out in Annexes B, C and D of the report; and
- (3) the Programme of Meetings for the Leaders' Group, Strategic Leadership Team, Public Engagement and Consultation Panel and Sefton Borough Partnership Operations Board and Strategic Board for 2012/13, as set out in Annex E of the report, be noted.

97. REVENUES - WRITE OFF OF IRRECOVERABLE NON-DOMESTIC RATE DEBTS WITH BALANCES OVER £10,000

The Cabinet considered the report of the Head of Corporate Finance and ICT which sought approval to write off irrecoverable non-domestic rate debts with balances over £10,000.

This was a Key Decision and was included in the Forward Plan of Key Decisions.

RESOLVED: That:

- (1) approval be given to 25 non-domestic rate debts amounting to £460,941.25 being written off; and
- (2) Annex A of the report be considered later in the meeting, following the exclusion of the press and public.

98. EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That

- (1) under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following

items of business on the grounds that they would involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act. The Public Interest Test has been applied and favours exclusion of the information from the press and public; and

- (2) the representatives of the Trade Unions be permitted to remain in the meeting during the consideration of Minute Numbers 99 and 100.

99. REVENUES - WRITE OFF OF IRRECOVERABLE NON-DOMESTIC RATE DEBTS WITH BALANCES OVER £10,000

Further to Minute No. 97 above, the Cabinet considered Annex A of the report by the Head of Corporate Finance and ICT relating to the write off of irrecoverable non-domestic rate debts with balances over £10,000.

RESOLVED:

That Annex A of the report be noted.

100. EXTENSION OF GROUNDS MAINTENANCE CONTRACTS

The Cabinet considered the report of the Director of Street Scene on proposals to extend the current Grounds Maintenance Contracts in order to generate a saving in 2012/13 and bring certainty to the costs of delivering the service for the next seven years.

This was a Key Decision and was included in the Forward Plan of Key Decisions.

RESOLVED:

That approval, in principle, be given to the option to extend the Grounds Maintenance Contracts by seven years, on final terms and conditions to be agreed by the Director of Street Scene.

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Report to: Cabinet **Date of Meeting:** 16 February 2012

Subject: Capital Programme 2011/12 and Capital Allocations 2012/13

Report of: Head of Corporate Finance & ICT **Wards Affected:** All

Is this a Key Decision? Yes **Is it included in the Forward Plan?** Yes

Exempt/Confidential No

Purpose/Summary

To provide Members with details of the 2012/13 Capital Allocations received to date and to consider their use in the development of a new starts programme for 2012/13. The report also seeks approval for the utilisation of additional allocations of Integrated Transport Block Grant and Disabled Facilities Grant in 2011/12.

Recommendation(s)

Cabinet is recommended to:

- i) Note the revised Capital Programme for 2011/12 and recommend it to Council for approval;
- ii) Confirm the utilisation of £203,153 Aiming Higher for Disabled Children resources in 2011/12 as outlined in paragraph 2.2;
- iii) Note that any revenue implications of the schemes reported to Cabinet Member – Children’s Services on 7 February 2012, as outlined in paragraph 2.3, will be met from the schools’ delegated budgets;
- iv) Confirm the utilisation of the additional £163,000 Integrated Transport Block grant in 2011/12 for Transportation purposes;
- v) Confirm the utilisation of the additional £188,866 Disabled Facilities Grant in 2011/12 for the provision of such grants;
- vi) Note the 2012/13 capital allocations received to date;
- vii) Consider whether the existing method of utilising capital allocations by the service department receiving them should continue or cease with all 2012/13 allocations being pooled and subject to a bidding process;
- viii) In the light of the outcome of vi), request the Strategic Asset Management Group to consider a detailed strategy for the 2012/13 Capital Programme and report its proposals at a later date.

How does the decision contribute to the Council’s Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		√	
2	Jobs and Prosperity		√	
3	Environmental Sustainability		√	
4	Health and Well-Being		√	

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5	Children and Young People		√	
6	Creating Safe Communities		√	
7	Creating Inclusive Communities		√	
8	Improving the Quality of Council Services and Strengthening Local Democracy		√	

Reasons for the Recommendation:

To inform Members of the 2012/13 Capital Allocations received to date and to allow Members to consider how these allocations should be utilised. Also to seek approval for the use of both an additional allocation of Integrated Transport Block Grant and Disabled Facilities Grant in 2011/12.

What will it cost and how will it be financed?

(A) Revenue Costs

For any additional capital expenditure, a full evaluation of the revenue running costs will need to be undertaken.

(B) Capital Costs

All allocations included in this report are capital grants.

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal		
Human Resources		
Equality		
1.	No Equality Implication	<input type="checkbox"/>
2.	Equality Implications identified and mitigated	<input type="checkbox"/>
3.	Equality Implication identified and risk remains	<input type="checkbox"/>

Impact on Service Delivery:

What consultations have taken place on the proposals and when?

The Head of Corporate Finance (FD1273) and Head of Corporate Legal Services (LD659/12) have been consulted and any comments have been incorporated into the report.

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Are there any other options available for consideration?

The options available to Members for the use of non ring-fenced capital grant allocations are included in the body of the report.

Implementation Date for the Decision

Immediately following the expiry of the “call-in” period for the Minutes of the Cabinet.

Contact Officer: Mike Martin

Tel: 0151 934 3506

Email: mike.martin@sefton.gov.uk

Background Papers:

The following papers are available for inspection by contacting the above officer(s).

www.education.gov.uk/schools/adminandfinance/schoolscapital

Letter from Department for Transport: Local Transport Settlement (2011/12 – 2012/13) – 13 December 2010.

Letter from Department for Health: Adults’ Personal Social Services: Specific Revenue Grants and Capital Grant Allocations for 2012/13 – 8 December 2011.

Email from Merseytravel 10 January 2012.

www.communities.gov.uk/statements/corporate/2068667

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1. Introduction/Background

- 1.1 This report updates the 2011/12 Capital programme and provides details of the some additional allocations recently received for the current year. Details are also provided of the Government Capital Allocations that have been notified to date for 2012/13 with a view to the Cabinet beginning to consider the use of the non-ring-fenced allocations in the development of a new starts programme for 2012/13.

2. Revised Capital Programme 2011/12

- 2.1 The revised Capital Programme is attached at Annex A and takes account of the decisions made by Cabinet at its last meeting in the light of the recommendations of the Cabinet Sub Committee – Capital Programme.
- 2.2 The Department for Education has made an additional 2011/12 capital allocation available to Sefton of £203,153 to further develop facilities for Disabled Children through the Aiming Higher for Disabled children programme. The allocation is in the form of a non-ring-fenced capital grant. Cabinet is asked to confirm that this funding may be used by Children's Services for a safe outdoor playspace at the Netherton Activity Centre (£50,000) with the balance of the funding (£153,000) used to provide improved access and hygiene/changing facilities at Children's Centres and Youth Centres upon completion of the reviews of these services that are currently being undertaken.
- 2.3 Cabinet Member – Children's Services received a report on 7 February 2012 where approval was sought to include schemes in the Capital Programme at a total cost of £479,156, fully funded from uncommitted Capital Maintenance Grant and schools' own resources. Cabinet are advised that any revenue implications of these schemes will be met from the schools' delegated budgets.
- 2.4 The Council received notification from Merseytravel in January 2012 that, following a supplementary allocation of Integrated Transport Block grant to the region from the Department of Transport, Sefton has been allocated an additional £163,000 in 2011/12. Cabinet is asked to confirm that this allocation is treated in the same manner as all other 2011/12 allocations and will be utilised for Transportation purposes.
- 2.5 Finally, the Department for Communities and Local Government announced in January 2012 £20m additional funding for Disabled Facilities Grants for local authorities in 2011/12. The aim is to help more people with disabilities to access the aids and adaptations they require to live independently at home. Sefton's share of this allocation is £188,866 and, as above, Cabinet is asked to confirm use of these additional resources in the provision of disabled facilities grants.

3. Government Capital Allocations 2012/13

- 3.1 The table below itemises those capital allocations that have been received for 2012/13; the 2011/12 figures, where applicable, are shown for comparison. All allocations are received as non-ringfenced capital grant, with the exception of Devolved Formula Capital.

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Description of Allocation	2011/12 £'000	2012/13 £'000	Variation £'000
Children's Services – Devolved Formula Capital (ring-fenced)	620	450	-170
Children's Services – Basic Need	894	781	-113
Children's Services – Capital Maintenance	3,516	2,417	-1,099
Total Children's Services	5,030	3,648	-1,382
Disabled Facilities Grant #	1,576	TBC	?
Total Housing	1,576	?	?
Department of Health Capital Grant	797	811	+14
Total Social Services	797	811	+14
Highways Maintenance	2,474	2,536	+62
Integrated Transport Block (indicative)	977	1,003	+26
Total Transportation	3,451	3,539	+88
Total Allocations	10,854	7,998 #	-1,280

Note # The 2012/13 capital allocation in respect of Disabled Facilities Grants is still awaited.

- 3.2 Children's Services capital allocations have reduced as a result of some maintained secondary schools having converted to academy status during 2011/12. The Department for Education has retained resources centrally to meet the maintenance needs of academies.

4. Utilisation of 2012/13 Capital Allocations

- 4.1 As part of the Government's decentralisation agenda, capital grants to Councils have been simplified with the aim of providing freedom and flexibility. The majority of capital grants are now completely non-ringfenced and there are fewer grant regimes to deal with.
- 4.2 Traditionally, the Cabinet has recommended that all capital allocations should be utilised by the appropriate service receiving the allocation. Indeed in the case of Transportation allocations, these are controlled by the local Integrated Transport Authority (ITA) ie. Merseytravel and the implication is that if allocations are not used for transport related schemes the ITA could withhold grant which could place the Council at risk of having a shortfall of capital resources.
- 4.3 Alternatively, the Cabinet could decide to pool all non-ringfenced capital allocations and invite bids from all services for their utilisation. If this method was adopted, there would need to be a fair and equitable method of appraising the schemes submitted.

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- 4.4 In the light of Member views on the treatment of the capital allocations for 2012/13 it is recommended that Cabinet request the Strategic Asset Management Group to consider a detailed strategy for the 2012/13 Capital Programme and report its proposals to a later Cabinet meeting.

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METROPOLITAN BOROUGH OF SEFTON

ANNEX A

CAPITAL PROGRAMME 2011/12 - 2014/15

Committee Summary

1	2	3	4	5	6	7
COMMITTEE	TOTAL COST	EXPEND TO 31.3.2011	2011/12	2012/13	2013/14	2014/15 & LATER YEARS
	£'000	£'000	£'000	£'000	£'000	£'000
Children's Services	100,444.57	81,272.65	14,183.94	4,754.98	233.00	0.00
Corporate Services	7,590.47	5,806.50	945.03	838.94	0.00	0.00
Environmental	3,636.95	778.77	2,358.18	450.00	50.00	0.00
Health & Social Care	3,787.96	2,687.83	478.37	621.76	0.00	0.00
Leisure and Tourism	56,681.78	33,226.85	9,325.44	10,936.82	2,742.67	450.00
Regeneration	46,616.36	19,075.08	10,358.28	12,343.66	4,204.34	635.00
Technical Services	28,204.01	3,616.90	5,672.05	1,587.06	8,040.00	9,288.00
Capitalisation - Maintenance Projects	4,000.00	0.00	1,000.00	1,000.00	1,000.00	1,000.00
Capitalisation - Equal Pay	1,575.00	0.00	575.00	1,000.00	0.00	0.00
Capitalisation - Redundancy Costs	3,000.00	0.00	2,000.00	1,000.00	0.00	0.00
TOTAL ALL SCHEMES	255,537.10	146,464.58	46,896.29	34,533.22	16,270.01	11,373.00

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METROPOLITAN BOROUGH OF SEFTON

CAPITAL PROGRAMME 2011/12 - 2014/15

CHILDREN'S SERVICES

1	2	3	4	5	6	7	8
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	EXPEND TO 31.3.2011	2011/12	2012/13	2013/14	2014/15 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
General							
1	Forefield Juniors-Alteration and Extension	222.88	209.02	13.86	0.00	0.00	0.00
2	Capitalised Maintenance	734.19	0.00	734.19	0.00	0.00	0.00
3	Merefield-New Classrooms	1,471.86	1,439.36	32.50	0.00	0.00	0.00
4	School Travel Plans 2004/05 - 2009/10	320.07	282.16	37.91	0.00	0.00	0.00
5	Litherland Sports Park	5,551.35	5,540.10	11.25	0.00	0.00	0.00
6	Hillside High School - Sports Hall	1,700.00	1,684.25	15.75	0.00	0.00	0.00
7	Devolved Formula Capital	1,730.30	0.00	850.00	880.30	0.00	0.00
8	Rimrose Hope Primary School-Targeted Capital	6,425.00	6388.25	36.75	0.00	0.00	0.00
9	Thomas Gray PS - Single Siting	3,128.00	3,076.82	51.18	0.00	0.00	0.00
10	South Sefton Sixth Form Centre	12,324.98	12,311.21	13.77	0.00	0.00	0.00
11	Churchtown CP School - SEN Facilities	142.61	140.21	2.40	0.00	0.00	0.00
12	Litherland OSP	26,265.62	23,067.29	2,780.71	417.62	0.00	0.00
13	Newfield School - Specialist College Status	151.59	151.09	0.50	0.00	0.00	0.00
14	Fair Play Playbuilder Programme	961.83	690.88	270.95	0.00	0.00	0.00
15	TCF SEN - Post 16 SEN Facility Thornton	2,010.74	150.91	1,859.83	0.00	0.00	0.00
16	Low and zero carbon schools	214.94	206.50	8.44	0.00	0.00	0.00
17	Extended Schools 2008/09 - 2010/11	18.65	0.00	18.65	0.00	0.00	0.00
18	TCF Kitchens / Dining Rooms	297.53	289.41	8.12	0.00	0.00	0.00
19	Meols Cop Specialist College for Sport	150.00	125.52	24.48	0.00	0.00	0.00
20	Bedford PS Family Room	307.50	48.00	252.00	7.50	0.00	0.00
21	Birkdale HS Science Lab Refurbishment	327.53	317.13	10.40	0.00	0.00	0.00
22	Greenacre Nursery - provision of multipurpose room	86.33	72.54	13.79	0.00	0.00	0.00
23	Kings Meadow PS Kitchen Refurbishment	158.13	135.15	22.98	0.00	0.00	0.00
24	Norwood PS After School Club/Kitchen Extension	242.81	224.47	18.34	0.00	0.00	0.00
25	Meols Cop HS Refurb. of food technology room	158.10	0.00	158.10	0.00	0.00	0.00
26	Thornton Annex - Jigsaw	109.75	0.00	109.75	0.00	0.00	0.00
27	Adaptations to Foster Carers' Residences	200.00	0.00	0.00	200.00	0.00	0.00
28	Old Schemes	113.51	38.81	24.70	50.00	0.00	0.00
Total General		65,525.80	56,589.08	7,381.30	1,555.42	0.00	0.00
IT Schemes							
29	City Learning Centres - Capital Redev. Grant	4,641.77	4,080.43	561.34	0.00	0.00	0.00
30	CSF IT Strategy	1,250.00	1,235.19	14.81	0.00	0.00	0.00
31	CS IT (Single Child Record)	540.00	72.30	117.70	200.00	150.00	0.00
Total IT Schemes		6,431.77	5,387.92	693.85	200.00	150.00	0.00

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METROPOLITAN BOROUGH OF SEFTON

CAPITAL PROGRAMME 2011/12 - 2014/15

CHILDREN'S SERVICES

1	2	3	4	5	6	7	8
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	EXPEND TO 31.3.2011	2011/12	2012/13	2013/14	2014/15 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
Primary Capital Programme							
32	Aintree Davenhill PCP	2,458.65	2,339.23	99.42	20.00	0.00	0.00
33	Lander Road PCP	2,075.87	1,164.85	888.02	23.00	0.00	0.00
34	St Philips CE PS PCP	228.94	218.34	10.60	0.00	0.00	0.00
35	Christ Church CE PS PCP	566.89	544.12	22.77	0.00	0.00	0.00
36	Aintree Davenhill Ph 2	2,356.14	66.12	1,330.02	932.00	28.00	0.00
37	Other Primary Capital Programme Schemes	5,139.03	4,445.43	693.60	0.00	0.00	0.00
Total Primary Capital Programme		12,825.52	8,778.09	3,044.43	975.00	28.00	0.00
Modernisation							
38	Maghull High School - Maths/ Music Rooms	1,065.00	1063.41	1.59	0.00	0.00	0.00
39	Crossens Nursery Relocation to Larkfield CP School	673.25	671.88	1.37	0.00	0.00	0.00
40	Farnborough Road School Kitchen / Dining Imps.	2,001.57	1802.91	198.66	0.00	0.00	0.00
41	Kew Woods - New Classrooms	780.26	318.51	437.28	24.47	0.00	0.00
42	Other Modernisation Schemes	147.30	0.00	0.00	147.30	0.00	0.00
Total Modernisation		4,667.38	3,856.71	638.90	171.77	0.00	0.00
School Access Initiative							
43	Litherland HS - Hygiene Area/ Lift	277.78	267.88	9.90	0.00	0.00	0.00
44	Primary School Schemes	105.15	90.33	14.82	0.00	0.00	0.00
45	Stanley HS - Special needs base	68.83	57.01	11.82	0.00	0.00	0.00
46	Improved Access to the National Curriculum	72.00	69.24	2.76	0.00	0.00	0.00
47	Waterloo PS - SEN bases	226.88	224.90	1.98	0.00	0.00	0.00
48	Waterloo PS - Lift Installation	67.68	4.55	63.13	0.00	0.00	0.00
49	Merefield - one way system	80.00	2.07	77.93	0.00	0.00	0.00
50	Stanley HS mobile lifting device	8.00	7.72	0.28	0.00	0.00	0.00
51	Christ Church CE PS - improve accessibility	9.00	0.00	9.00	0.00	0.00	0.00
52	Maghull HS - evacuation lift	33.75	1.96	31.79	0.00	0.00	0.00
Total Schools Access Initiative		949.07	725.66	223.41	0.00	0.00	0.00
New Pupil Places							
53	Woodlands PS Kitchen Refurbishment	167.39	167.19	0.20	0.00	0.00	0.00
54	Hatton Hill Primary-Boiler Replacement	73.55	69.74	3.81	0.00	0.00	0.00
55	St Andrews Maghull - Repl of infant boiler	114.24	113.39	0.85	0.00	0.00	0.00
56	Shoreside PS Window Replacement	126.32	120.88	5.44	0.00	0.00	0.00
57	Hatton Hill PS Kitchen Refurbishment	155.58	125.48	30.10	0.00	0.00	0.00
58	Summerhill PS Kitchen Refurbishment	153.76	143.87	9.89	0.00	0.00	0.00
59	Valewood PS Kitchen Refurbishment	149.59	139.77	9.82	0.00	0.00	0.00
60	Valewood PS Roof Repairs	78.97	7.74	71.23	0.00	0.00	0.00
61	Larkfield PS Roof Repairs	89.86	79.54	10.32	0.00	0.00	0.00
62	Linacre PS Boiler Replacement	49.47	0.12	49.35	0.00	0.00	0.00
63	Stanley HS Boiler Replaement	175.70	161.88	13.82	0.00	0.00	0.00
64	Shoreside Remodelling and new build	252.74	8.91	231.09	12.74	0.00	0.00
65	Waterloo PS Roof Repairs/Ext. Works	183.43	0.00	183.43	0.00	0.00	0.00

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METROPOLITAN BOROUGH OF SEFTON

CAPITAL PROGRAMME 2011/12 - 2014/15

CHILDREN'S SERVICES

1	2	3	4	5	6	7	8
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	EXPEND TO 31.3.2011	2011/12	2012/13	2013/14	2014/15 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
66	Forefield Inf School - Window Repl	56.93	0.00	56.93	0.00	0.00	0.00
67	Shoreside PS - Toilet Refurbishment	37.30	0.00	37.30	0.00	0.00	0.00
68	Hudson PS - Roof Repairs	59.81	0.00	59.81	0.00	0.00	0.00
69	Lydiate PS Heating Duct Repairs	66.00	0.00	66.00	0.00	0.00	0.00
70	Redgate PS Boiler Repl.	86.02	0.00	86.02	0.00	0.00	0.00
71	Daleacre PRU - Boiler Repl.	86.02	0.00	86.02	0.00	0.00	0.00
72	Merefield Roof Repairs	18.56	0.00	18.56	0.00	0.00	0.00
73	Oakfield/Pinefield Window Repl.	20.84	0.00	20.84	0.00	0.00	0.00
74	Presfield Roof Repairs	29.46	0.00	29.46	0.00	0.00	0.00
75	Valewood PS - Accessible toilet Ext.	20.71	0.00	20.71	0.00	0.00	0.00
76	Forefield Inf School - Provn of Access Ramps	10.14	0.00	10.14	0.00	0.00	0.00
77	Balance of various school access works	19.15	0.00	19.15	0.00	0.00	0.00
78	Linaker PS IT Extension	140.00	0.00	20.00	120.00	0.00	0.00
79	Birkdale PS Increase in Accommodation	45.00	0.00	35.00	10.00	0.00	0.00
80	Other New Pupil Places Schemes	49.26	0.00	0.00	49.26	0.00	0.00
Total New Pupil Places		2,515.80	1,138.51	1,185.29	192.00	0.00	0.00

Capital Maintenance Grant

81	Bedford PS - Porch / Foyer	13.45	0.00	13.45	0.00	0.00	0.00
82	Churchtown PS - Outside Classroom	70.00	0.00	70.00	0.00	0.00	0.00
83	Greenacre Nursery - under 3's room	4.00	0.00	4.00	0.00	0.00	0.00
84	Hatton Hill PS - infants roof repair	12.00	0.00	12.00	0.00	0.00	0.00
85	Linacre PS - main entrance	17.68	0.00	17.68	0.00	0.00	0.00
86	Melling PS - resource area	40.00	0.00	40.00	0.00	0.00	0.00
87	Meols Cop HS - Glazing compliance	19.50	0.00	19.50	0.00	0.00	0.00
88	Merefield - Refurbish school kitchen	57.00	0.00	57.00	0.00	0.00	0.00
89	Redgate PS - new parents room	40.00	0.00	40.00	0.00	0.00	0.00
90	Summerhill PS - refurbish toilets	21.02	0.00	21.02	0.00	0.00	0.00
91	Thomas Gray PS - Outdoor Learning Covered Area	18.45	0.00	18.45	0.00	0.00	0.00
92	Valewood PS - Toilet Refurbishment	50.00	0.00	50.00	0.00	0.00	0.00
93	Waterloo PS - Emergency Lighting	8.00	0.00	8.00	0.00	0.00	0.00
94	Woodlands PS - Outdoor Learning	30.00	0.00	30.00	0.00	0.00	0.00
95	Meols Cop HS Library and 2 Classroom Ext.	760.00	0.00	35.00	690.00	35.00	0.00
96	Kew Woods PS Additional Hall Space	350.00	0.00	30.00	300.00	20.00	0.00
97	Other Capital Maintenance Schemes	655.79	0.00	0.00	655.79	0.00	0.00
Total Capital Maintenance Grant		2,166.89	0.00	466.10	1,645.79	55.00	0.00

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METROPOLITAN BOROUGH OF SEFTON

CAPITAL PROGRAMME 2011/12 - 2014/15

CHILDREN'S SERVICES

1	2	3	4	5	6	7	8
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	EXPEND TO 31.3.2011	2011/12	2012/13	2013/14	2014/15 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
<u>TCF 14-19 Diplomas</u>							
98	Birkdale High School	330.00	315.89	14.11	0.00	0.00	0.00
99	Chesterfield High School	125.32	91.90	33.42	0.00	0.00	0.00
100	Deyes High School	1,179.56	1,060.28	119.28	0.00	0.00	0.00
101	Formby High School	237.36	228.71	8.65	0.00	0.00	0.00
102	Greenbank High School	280.81	275.01	5.80	0.00	0.00	0.00
103	Hillside High School	224.87	190.91	33.96	0.00	0.00	0.00
104	Maghull High School	370.00	337.36	32.64	0.00	0.00	0.00
105	Meols Cop High School	269.00	247.49	21.51	0.00	0.00	0.00
106	Range High School	336.99	331.18	5.81	0.00	0.00	0.00
107	Christ the King RC High School	184.59	183.44	1.15	0.00	0.00	0.00
108	Holy Family RC High School	269.93	264.54	5.39	0.00	0.00	0.00
109	Sacred Heart RC College	266.70	230.70	36.00	0.00	0.00	0.00
110	Savio Salesian RC College	118.45	114.69	3.76	0.00	0.00	0.00
111	St Michael's High School	202.26	198.87	3.39	0.00	0.00	0.00
112	St Ambrose Barlow RC High School	137.54	99.59	37.95	0.00	0.00	0.00
113	St Wilfrid's RC High School	114.46	109.90	4.56	0.00	0.00	0.00
Total TCF 14-19 Diplomas		4,647.84	4,280.46	367.38	0.00	0.00	0.00
<u>Surestart Grant Schemes</u>							
114	Summerhill PS -Construction of nursery	339.77	168.22	156.55	15.00	0.00	0.00
115	Valewood Children's Centre	330.00	320.65	9.35	0.00	0.00	0.00
Total Surestart Capital Grant		669.77	488.87	165.90	15.00	0.00	0.00
<u>Children's Personal Social Services</u>							
116	Children's PSS	44.73	27.35	17.38	0.00	0.00	0.00
Total Children's Personal Social Services		44.73	27.35	17.38	0.00	0.00	0.00
TOTAL CHILDREN'S SERVICES SCHEMES		100,444.57	81,272.65	14,183.94	4,754.98	233.00	0.00

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METROPOLITAN BOROUGH OF SEFTON

CAPITAL PROGRAMME 2011/12 - 2014/15

CORPORATE SERVICES

1	2	3	4	5	6	7	8
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	EXPEND TO 31.3.2011	2011/12	2012/13	2013/14	2014/15 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
<u>Admin Buildings</u>							
1	Old & Completing Schemes	17.36	0.00	17.36	0.00	0.00	0.00
2	Disabled Facilities	400.00	373.39	26.61	0.00	0.00	0.00
3	Health & Safety Programme	306.39	199.05	107.34	0.00	0.00	0.00
4	Pleasureland Clearance / Demolition	400.00	331.55	0.00	68.45	0.00	0.00
5	Demolition of Bootle High School	235.00	232.58	2.42	0.00	0.00	0.00
6	Energy Efficiency Measures	250.00	182.14	67.86	0.00	0.00	0.00
7	Refurbishment of St. Peter's House	3,716.11	3,583.22	97.89	35.00	0.00	0.00
8	Balliol House Demolition	940.00	488.61	426.39	25.00	0.00	0.00
9	Property Intervention Fund	443.61	0.00	93.61	350.00	0.00	0.00
10	Capital Contingency Fund	50.00	0.00	0.00	50.00	0.00	0.00
Total Admin Buildings		6,758.47	5,390.54	839.48	528.45	0.00	0.00
<u>Vehicles,Plant,Equipment</u>							
11	E Government Priority Service Outcomes	400.00	355.24	11.00	33.76	0.00	0.00
12	I.T. Firewall Replacement	25.00	17.45	7.55	0.00	0.00	0.00
13	I.T. Members ICT & Mobile Technology	70.00	43.27	0.00	26.73	0.00	0.00
14	ICT Data Centre	250.00	0.00	0.00	250.00	0.00	0.00
15	Vehicle Replacement Programme	87.00	0.00	87.00	0.00	0.00	0.00
Total Vehicles,Plant,Equipment		832.00	415.96	105.55	310.49	0.00	0.00
TOTAL CORPORATE SERVICES SCHEMES		7,590.47	5,806.50	945.03	838.94	0.00	0.00

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METROPOLITAN BOROUGH OF SEFTON

CAPITAL PROGRAMME 2011/12 - 2014/15

ENVIRONMENTAL

1	2	3	4	5	6	7	8
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	EXPEND TO 31.3.2011	2011/12	2012/13	2013/14	2014/15 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
<u>Coastal Defence</u>							
1	CERMS 2011 - 2016	879.00	0.00	679.00	200.00	0.00	0.00
2	Adaptation to Climate Change on the Sefton Coast	165.00	127.87	37.13	0.00	0.00	0.00
3	Hightown Management Project -Design/tender Prep.	142.77	133.04	9.73	0.00	0.00	0.00
4	Hightown Sea Defences Ph 2 (S106)	1,228.00	0.00	1,228.00	0.00	0.00	0.00
5	Hightown Sea Defences Ph 2 (S106) - Environ.Enhance	100.00	0.00	0.00	50.00	50.00	0.00
6	Pathfinder Fund Programme (Dune Slacks / Boardwalks)	91.00	59.75	31.25	0.00	0.00	0.00
	Total Coastal Defence	2,605.77	320.66	1,985.11	250.00	50.00	0.00
<u>Environmental</u>							
7	Waste Infrastructure	916.18	384.56	331.62	200.00	0.00	0.00
8	Claremont Ave. Maghull L.D. Investigation	35.00	23.25	11.75	0.00	0.00	0.00
9	Thornton & Lunt L.D. Investigation	39.00	24.34	14.66	0.00	0.00	0.00
10	Dobbs Gutter L.D. Investigation	41.00	25.96	15.04	0.00	0.00	0.00
	Total Environmental	1,031.18	458.11	373.07	200.00	0.00	0.00
TOTAL ENVIRONMENTAL SCHEMES		3,636.95	778.77	2,358.18	450.00	50.00	0.00

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METROPOLITAN BOROUGH OF SEFTON

CAPITAL PROGRAMME 2011/12 - 2014/15

HEALTH & SOCIAL CARE

1	2	3	4	5	6	7	8
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	EXPEND TO 31.3.2011	2011/12	2012/13	2013/14	2014/15 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
<u>COMMITTED SCHEMES</u>							
1	I.I.M Cap Grant 2006/07 - 07/08	172.78	168.27	4.51	0.00	0.00	0.00
2	IT Strategy	488.00	338.29	104.00	45.71	0.00	0.00
3	Adult Social Care IT Infrastructure	317.05	0.00	200.00	117.05	0.00	0.00
4	Capital Investment for Transformation in Adult Social Care	197.00	0.00	0.00	197.00	0.00	0.00
5	Mental Health SCE (R) - Ringfenced 05/06 - 07/08	407.28	390.72	0.00	16.56	0.00	0.00
6	Mental Health SCE (C) 2010/11	301.00	135.11	140.00	25.89	0.00	0.00
7	Disability Discrimination Act	406.69	404.24	2.45	0.00	0.00	0.00
8	Independent Living Centre (Scarbrick Avenue)	1,140.08	1,118.09	2.43	19.55	0.00	0.00
9	Common Financial Assessment Project	147.39	132.19	15.20	0.00	0.00	0.00
10	Assisted Technology	200.00	0.00	0.00	200.00	0.00	0.00
11	Old & Completing Schemes	10.69	0.92	9.77	0.00	0.00	0.00
TOTAL HEALTH & SOCIAL CARE SCHEMES		3,787.96	2,687.83	478.37	621.76	0.00	0.00

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METROPOLITAN BOROUGH OF SEFTON

CAPITAL PROGRAMME 2011/12 - 2014/15

LEISURE AND TOURISM

1	2	3	4	5	6	7	8
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	EXPEND TO 31.3.2011	2011/12	2012/13	2013/14	2014/15 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
<u>Leisure - General</u>							
1	Old and Completing Schemes	45.10	0.00	45.10	0.00	0.00	0.00
2	Hesketh Park	2,335.05	2,160.38	20.64	154.03	0.00	0.00
3	Maghull Leisure Centre	8,304.09	7,932.63	171.46	200.00	0.00	0.00
4	Repairs / refurbishment of park lodges	101.00	92.88	8.12	0.00	0.00	0.00
5	Crosby Coastal Park	226.88	203.35	23.53	0.00	0.00	0.00
6	Hesketh Park Office / Visitor Centre	50.00	0.00	0.00	50.00	0.00	0.00
7	Waterloo Judo Club	553.65	541.48	12.17	0.00	0.00	0.00
8	Netherton Activity Centre	6,329.75	1,590.66	4,339.09	400.00	0.00	0.00
9	Southport Sports Park Contribution	75.00	0.00	0.00	75.00	0.00	0.00
10	Flue Gas Filtration Work at Southport Crematorium	999.78	862.77	137.01	0.00	0.00	0.00
11	Southport Cultural Centre	16,862.86	8,821.46	1,530.95	6,417.01	93.44	0.00
12	Duke Street Play Area, Formby	90.50	82.93	7.57	0.00	0.00	0.00
13	Browns Lane Allotments	50.00	18.94	27.06	4.00	0.00	0.00
14	Bootle Cemetery Improvements	85.00	78.41	6.59	0.00	0.00	0.00
15	Portland Street Changing Facilities	429.50	346.09	21.71	61.70	0.00	0.00
16	Tree Planting Contract 2009/10	195.50	166.46	19.04	10.00	0.00	0.00
17	Temporary Library Service	49.00	37.47	4.58	6.95	0.00	0.00
18	Kings Gardens	5,919.00	56.38	423.62	2,519.50	2,519.50	400.00
19	Parks Disabled Playground Equipment	65.59	0.00	65.59	0.00	0.00	0.00
20	Ainsdale & Birkdale Nature Reserve	118.00	0.00	39.34	39.33	39.33	0.00
21	Improvements to Victoria Park, Crosby	116.22	38.78	77.44	0.00	0.00	0.00
22	South Park Improvements, Bootle	253.00	0.00	0.00	253.00	0.00	0.00
23	Hatton Hill Park Improvements, Litherland	68.00	0.00	68.00	0.00	0.00	0.00
24	North Park Improvements, Bootle	127.00	0.00	17.00	110.00	0.00	0.00
25	Derby Park Improvements, Bootle	67.50	0.00	67.50	0.00	0.00	0.00
26	Tree Planting Programme 2010/11	125.50	0.00	113.50	6.00	6.00	0.00
Total General		43,642.47	23,031.07	7,246.61	10,306.52	2,658.27	400.00
<u>Tourism</u>							
27	Southport Pier - Programmed Maintenance	200.00	0.00	50.00	50.00	50.00	50.00
28	Southport Pier repair / decoration	132.07	129.95	2.12	0.00	0.00	0.00
29	Floral Hall Improvement Project	8176.11	8,131.04	45.07	0.00	0.00	0.00
30	Southport T I C relocation	59.14	5.35	0.00	53.79	0.00	0.00
31	Southport Market Refurbishment	3032.00	522.67	1,961.64	513.29	34.40	0.00
32	Southport Pier Structural Assessment	20.00	0.00	20.00	0.00	0.00	0.00
Total Tourism		11,619.32	8,789.01	2,078.83	617.08	84.40	50.00

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METROPOLITAN BOROUGH OF SEFTON

CAPITAL PROGRAMME 2011/12 - 2014/15

LEISURE AND TOURISM

1	2	3	4	5	6	7	8
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	EXPEND TO 31.3.2011	2011/12	2012/13	2013/14	2014/15 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
<u>Southport Action Plan</u>							
33	Southport Marine Lake Improvements Zone 1	1,419.99	1,406.77	0.00	13.22	0.00	0.00
	Total Southport Action Plan	1,419.99	1,406.77	0.00	13.22	0.00	0.00
TOTAL LEISURE & TOURISM SCHEMES		56,681.78	33,226.85	9,325.44	10,936.82	2,742.67	450.00

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METROPOLITAN BOROUGH OF SEFTON

CAPITAL PROGRAMME 2011/12 - 2014/15

REGENERATION

1	2	3	4	5	6	7	8
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	EXPEND TO 31.3.2011	2011/12	2012/13	2013/14	2014/15 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
General							
1	Southport Commerce Pk. - 3rd phase Devel.	884.00	0.00	0.00	884.00	0.00	0.00
2	Stepclever Property Project	1,657.00	425.22	968.78	263.00	0.00	0.00
3	REECH Project	7,170.62	0.00	0.00	5,775.87	1,394.75	0.00
4	Old & completing schemes	1.99	0.00	1.99	0.00	0.00	0.00
TOTAL GENERAL REGENERATION SCHEMES		9,713.61	425.22	970.77	6,922.87	1,394.75	0.00
Housing Regeneration Schemes							
<u>Disabled Facilities Grants</u>							
5	Previous Years' Approvals	21.23	0.00	21.23	0.00	0.00	0.00
6	2009/10 Approvals	3,403.01	3,264.66	138.35	0.00	0.00	0.00
7	2010/11 Approvals	2,789.22	1,666.15	1,123.07	0.00	0.00	0.00
8	2011/12 Approvals	2,000.00	0.00	1,593.35	406.65	0.00	0.00
Total Disabled Facilities Grants		8,213.46	4,930.81	2,876.00	406.65	0.00	0.00
9	Drug Rehabilitation / Boscoe Hostel	1,280.00	1,253.05	26.95	0.00	0.00	0.00
<u>Home Improvement Grants</u>							
10	Previous Years' Approvals	13.34	0.00	13.34	0.00	0.00	0.00
11	2009/10 Approvals	414.79	411.48	3.31	0.00	0.00	0.00
12	2010/11 Approvals (inc.grant admin. fees)	262.41	179.00	83.41	0.00	0.00	0.00
Total Home Improvement Grants		690.54	590.48	100.06	0.00	0.00	0.00
<u>General</u>							
13	Energy Efficiency Grants	337.53	337.32	0.21	0.00	0.00	0.00
14	Landlord Accreditation / HMO's	35.00	29.78	5.22	0.00	0.00	0.00
15	Strategic Housing Market Assessment	61.15	58.15	3.00	0.00	0.00	0.00
16	Housing Act - Works in Default	35.00	16.03	18.97	0.00	0.00	0.00
17	Affordable Housing Study	25.00	23.29	1.71	0.00	0.00	0.00
18	Gypsy and Traveller Accommod. Provision	12.00	0.00	0.00	12.00	0.00	0.00
19	Choice based lettings - ICT procurement	50.00	0.00	50.00	0.00	0.00	0.00
20	Old Schemes	10.24	0.84	9.40	0.00	0.00	0.00
Total General		565.92	465.41	88.51	12.00	0.00	0.00
<u>Housing Market Renewal</u>							
21	Projects	8,669.26	3,903.21	1,789.47	1,188.58	1,153.00	635.00
22	Remediation	3,230.33	1,766.86	687.24	626.23	150.00	0.00
23	Fees & Housing Management	3,265.02	797.89	843.01	845.82	778.30	0.00
24	Acquisitions	10,473.22	4,692.15	2,910.27	2,216.51	654.29	0.00
25	Other	515.00	250.00	66.00	125.00	74.00	0.00
Total Housing Market Renewal		26,152.83	11,410.11	6,295.99	5,002.14	2,809.59	635.00
TOTAL HOUSING REGENERATION SCHEMES		36,902.75	18,649.86	9,387.51	5,420.79	2,809.59	635.00
GRAND TOTAL REGENERATION SCHEMES		46,616.36	19,075.08	10,358.28	12,343.66	4,204.34	635.00

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METROPOLITAN BOROUGH OF SEFTON

CAPITAL PROGRAMME 2011/12 - 2014/15

TECHNICAL SERVICES

1	2	3	4	5	6	7	8
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	EXPEND TO 31.3.2011	2011/12	2012/13	2013/14	2014/15 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
<u>New Construction</u>							
1	Thornton Switch Island Link Scheme	20,412.00	1,618.94	618.00	1,297.06	7,800.00	9,078.00
2	Asset Management Development	139.10	48.61	90.49	0.00	0.00	0.00
<u>Carriageways / Priority Maintenance</u>							
3	A5090 Hawthorne Rd	1,898.36	1,804.07	94.29	0.00	0.00	0.00
<u>Carriageway Resurfacing</u>							
4	Balliol Road	52.76	0.00	52.76	0.00	0.00	0.00
5	Millers Bridge	67.88	0.00	67.88	0.00	0.00	0.00
6	Washington Parade	13.66	0.00	13.66	0.00	0.00	0.00
7	A565 Liverpool Road	97.57	0.00	97.57	0.00	0.00	0.00
8	Aintree Lane	83.53	0.00	83.53	0.00	0.00	0.00
9	Guildford Road	33.28	0.00	33.28	0.00	0.00	0.00
10	Heathfield Road	56.16	0.00	56.16	0.00	0.00	0.00
11	Kenyons Lane	36.76	0.00	36.76	0.00	0.00	0.00
12	Kings Road	56.51	0.00	56.51	0.00	0.00	0.00
13	Lexton Drive	49.76	0.00	49.76	0.00	0.00	0.00
14	Lichfield Avenue	14.11	0.00	14.11	0.00	0.00	0.00
15	Oxford Drive	45.96	0.00	45.96	0.00	0.00	0.00
16	Promenade	16.76	0.00	16.76	0.00	0.00	0.00
17	Salisbury Avenue	31.76	0.00	31.76	0.00	0.00	0.00
18	Sankey Road	39.84	0.00	39.84	0.00	0.00	0.00
19	The Serpentine South	41.76	0.00	41.76	0.00	0.00	0.00
20	Victoria Road	57.76	0.00	57.76	0.00	0.00	0.00
21	Cockledicks Lane	95.76	0.00	95.76	0.00	0.00	0.00
22	Sefton Road	19.26	0.00	19.26	0.00	0.00	0.00
23	Station Road	75.20	0.00	75.20	0.00	0.00	0.00
24	Durham Road	21.26	0.00	21.26	0.00	0.00	0.00
25	Little Crosby Road	13.66	0.00	13.66	0.00	0.00	0.00
26	A565 Liverpool Road	25.56	0.00	25.56	0.00	0.00	0.00
27	Virginia St	94.26	0.00	94.26	0.00	0.00	0.00
28	Extended patching work	380.00	0.00	380.00	0.00	0.00	0.00
29	Other / Old & Completing Schemes	277.34	0.00	277.34	0.00	0.00	0.00
30	Micro Asphalt Surfacing	64.21	0.00	64.21	0.00	0.00	0.00
31	Capita Fees	113.77	0.00	113.77	0.00	0.00	0.00
	Total Carriageway Resurfacing	1,976.10	0.00	1,976.10	0.00	0.00	0.00
32	UTC Maintenance	105.18	0.00	105.18	0.00	0.00	0.00

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METROPOLITAN BOROUGH OF SEFTON

CAPITAL PROGRAMME 2011/12 - 2014/15

TECHNICAL SERVICES

1	2	3	4	5	6	7	8
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	EXPEND TO 31.3.2011	2011/12	2012/13	2013/14	2014/15 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
33	Street Lighting Schemes	141.45	0.00	141.45	0.00	0.00	0.00
34	LED Pilot Programme	70.00	0.00	70.00	0.00	0.00	0.00
	Total Street Lighting	211.45	0.00	211.45	0.00	0.00	0.00
	Drainage						
35	LTP allocation	69.93	0.00	69.93	0.00	0.00	0.00
36	Northway, Maghull	19.00	0.00	19.00	0.00	0.00	0.00
37	Marine Drive, Southport	13.00	0.00	13.00	0.00	0.00	0.00
38	Capita Fees	50.00	0.00	50.00	0.00	0.00	0.00
	Total Drainage	151.93	0.00	151.93	0.00	0.00	0.00
	Total Carriageways / Priority Maintenance	4,343.02	1,804.07	2,538.95	0.00	0.00	0.00
	Bridges and Structures						
	Assessment & Inspection						
39	Principal Bridge Inspections	40.00	0.00	40.00	0.00	0.00	0.00
40	Assessment - Retaining Walls	20.00	0.00	20.00	0.00	0.00	0.00
	Structural Maintenance & Strengthening						
41	Hightown Station Footbridge Study	15.00	0.00	15.00	0.00	0.00	0.00
42	Footbridge Maintenance & Strengthening	105.00	0.00	105.00	0.00	0.00	0.00
43	Miller's Bridge	87.30	50.69	36.61	0.00	0.00	0.00
44	Ledson's Canal Bridge	209.59	94.59	115.00	0.00	0.00	0.00
45	Capita Fees	30.00	0.00	30.00	0.00	0.00	0.00
	Total Bridges and Structures	506.89	145.28	361.61	0.00	0.00	0.00
	Integrated Transport Programme						
46	Current Schemes	1,928.00	0.00	1,928.00	0.00	0.00	0.00
	Other Schemes						
47	Waterloo Car Parks, Machines / Signage	40.00	0.00	40.00	0.00	0.00	0.00
48	Local Sustainable Transport Fund - Merseyside	260.00	0.00	15.00	85.00	85.00	75.00
49	Local Sustainable Transport Fund - Sefton / West Lancs	575.00	0.00	80.00	205.00	155.00	135.00
	Total Other Technical Services Schemes	875.00	0.00	135.00	290.00	240.00	210.00
	TOTAL TECHNICAL SERVICES SCHEMES	28,204.01	3,616.90	5,672.05	1,587.06	8,040.00	9,288.00

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4	Health and Well-Being		√	
5	Children and Young People		√	
6	Creating Safe Communities		√	
7	Creating Inclusive Communities		√	
8	Improving the Quality of Council Services and Strengthening Local Democracy		√	

Reasons for the Recommendation:

To enable the Council to effectively manage its treasury activities..

What will it cost and how will it be financed?

(A) Revenue Costs

There are no financial implications as a result of this report.

(B) Capital Costs

None.

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal	Statutory Duty
Human Resources	None
Equality	
1. No Equality Implication	<input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated	<input type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

Impact on Service Delivery: None.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance (FD1343/12) and The Head of Corporate Legal Services (LD 698/12) have been consulted and any comments have been incorporated in the report.

Are there any other options available for consideration?

None.

Implementation Date for the Decision

With effect from 1 April 2012.

Contact Officer: Margaret Rawding
Tel: 0151 934 4082
Email: Margaret.rawding@sefton.gov.uk

Background Papers:

Treasury Management Policy & Strategy 2011/12.

1. Background

- 1.1. The Council has previously adopted CIPFA's revised 2001 Code of Practice on Treasury Management in the Public Services which recommends the production of annual Treasury Management Policy and Strategy Documents, and the revision to The Code in 2009 following the Icelandic bank collapse.
- 1.2. In addition, the Council has also adopted, and incorporated into both documents:
 - a) The requirements of the 2003 Prudential Code for Capital Finance in Local Authorities; and,
 - b) An Investment Strategy produced in line with guidance from the then Office of the Deputy Prime Minister concerning the investment of surplus funds. This sets out the manner in which the Council will manage its investments, giving priority to the security and liquidity of those investments.

2. Treasury Management Policy and Strategy Documents

- 2.1. The Code requires the Council to produce:
 - a) A Treasury Management Policy Document – which outlines the broad policies, objectives and approach to risk management of its treasury management activities;
 - b) A Treasury Management Strategy Document – This sets out specific treasury activities which will be undertaken in compliance with the Policy in 2012/2013; and
 - c) Suitable treasury management practices, setting out the manner in which the organisation will seek to achieve these policies and objectives, prescribing how it will manage and control those activities.

The content of the policy statement and the treasury management practices will follow the recommendations contained in sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of the Council. Such amendments will not result in the Council materially deviating from the Codes key principles.

- 2.2. The proposed Policy and Strategy Documents are attached at **Annex A and B** respectively.
- 2.3. Economic conditions have been difficult since the onset of the credit crunch in August 2007. This caused all major economies to enter into recession caused by a reduction in lending as banks attempted to repair their balance sheets, with concerns being raised over the financial health of many institutions. The wider economic position has meant that a continuing review of the Treasury Management Policy and Strategy documents has been undertaken to identify whether any improvements can be made.

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All investments are made in accordance with the Council's Investment Criteria. This takes account of market and risk conditions at the time the investment is made, with security being assessed over liquidity, and liquidity being assessed over return.

- 2.4. In view of the complex nature of Treasury Management, regular treasury update reports will be presented to Cabinet (who have the delegated responsibility), also to Corporate Services Cabinet Member and the Audit and Governance Committee.

3. Financial Procedure Rules – Banking Arrangements

- 3.1. The Treasury Management Policy Document at **Annex A** delegates certain responsibilities to the Head of Corporate Finance and ICT, including all executive decisions on borrowing, investment or financing, in line with the Constitution of the Council.
- 3.2. The Constitution (Financial Procedure Rules – Banking Arrangements Para 8.2) currently provides the following:

“No overdraft shall be permitted save on the general account, a maximum overdraft for which shall be fixed from time to time by the Council following recommendations by the Head of Corporate Finance and ICT.” In order to facilitate a “group” approach to the Council's bank account and related individual balances (a number of services provided by Sefton have bank accounts separate to the Council's main account), it is recommended that the paragraph be reworded as follows:

“On a day to day basis, no overdraft shall be permitted unless agreed by the Head of Corporate Finance and ICT. A maximum overdraft shall be fixed from time to time by the Council following recommendations by the Head of Corporate Finance and ICT....”

4. Money Laundering Policy Document

- 4.1. The Money Laundering Policy Document is attached at **Annex C** for approval, which outlines the approach the Council will adopt to comply with its legal obligations.

5. Minimum Revenue Provision (MRP) for Debt Repayment Policy Document

- 5.1. The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 introduced changes to the calculation of the MRP.
- 5.2. As a transitional arrangement for 2008/09, authorities were able to continue to calculate MRP as in previous years i.e. 4% of the underlying need to borrow for capital purposes, as measured at 31 March 2008. The Council's revenue budget for 2008/09 was constructed on this basis.

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- 5.3. To comply with the legislative changes, the Council has, from 2009/10, retained this calculation for borrowing supported through the Revenue Support Grant but for unsupported prudential borrowing, MRP will be calculated using the estimated life method. This links the charges to revenue more closely to the life of the asset. The Council's Revenue Budget for 2011/12 and 2012/13 has been constructed on this basis.
- 5.4. The change in legislation also allows councils to apply an MRP "Holiday" on large projects, the costs of which span a number of financial years. Rather than starting to charge MRP as the expenditure is incurred, the option is given to apply MRP only when the scheme becomes operational. The total level of MRP remains unchanged, only the timing of the charge is altered. This option is considered to be the most appropriate for use within Sefton.

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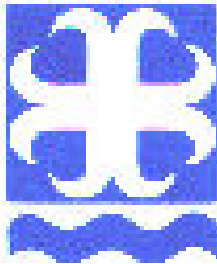
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SEFTON COUNCIL

TREASURY MANAGEMENT

POLICY

2012/2013



CORPORATE FINANCE AND ICT

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1. **Treasury Management Policy**

1.1. The Council defines Treasury Management as:

The management of the Authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

1.2. The Council's Statement of Treasury Management Policy is:

- a) Effective Treasury Management is acknowledged as providing support towards the achievement of the Council's business and service objectives. It is therefore committed to the principles of achieving best value in Treasury Management, and to employing suitable performance measurement techniques, within the context of effective risk management;
- b) The successful identification, monitoring and control of risk is regarded as being the prime criteria by which the effectiveness of the Council's Treasury Management activities will be measured. Accordingly, the analysis and reporting of Treasury Management activities will focus on their risk implications for the organisation.

1.3 A dedicated team of three officers carries out the day-to-day treasury management activities. Two of the current officers are qualified accountants, whilst the third is a qualified accounting technician. The Treasury Group Accountant has obtained the CIPFA/Association of Corporate Treasurers sponsored qualification CertITM-PF, which is aimed at giving a solid grounding in treasury management and which is tailored to the public sector.

1.3.1 Members should receive training in the Treasury Management function, in order to assist in the understanding of this relatively complex area. This will be addressed via the provision of regular reporting to Cabinet, Corporate Services Cabinet Member Meeting and the Audit and Governance Committee, and the provision of specific training on Treasury Management.

2. **Treasury Management Strategy**

2.1. The Annual Strategy Document sets out in detail how the Treasury Management Activities are to be undertaken in a particular financial year to comply with the Council's Policy. The strategy for 2012/2013 is attached at **Annex B**.

3. **Delegated Powers**

3.1. The Head of Corporate Finance and ICT, under the Council's Constitution, is given the following authority:

- a) All money in the hands of the Council shall be aggregated for the purposes of Treasury Management and shall be under the control of the

Agenda Item 8

Head of Corporate Finance and ICT, the Officer designated for the purposes of Section 151 of the Local Government Act, 1972;

- b) All executive decisions on borrowing, investment or financing shall be delegated to the Head of Corporate Finance and ICT (or in his/her absence the Deputy Section 151 Officer) who shall be required to act in accordance with the Council's Treasury Policy, Treasury Management Practices and CIPFA's Standard of Professional Practice on Treasury Management.

4. **Reporting Requirements/Responsibilities**

4.1. Council

Council will approve, prior to each financial year, the Treasury Management Policy and Strategy Documents, and will also receive a mid-year review, as well as receiving an annual outturn report on Treasury Management activity before 30 June following the end of the previous financial year, which reports actual treasury activity in the year.

4.2. Cabinet

Cabinet will:

- a) Consider, prior to each financial year, Treasury Management Policy and Strategy Documents and refer them to Council for approval;
- b) Implement and monitor these documents, approving any in-year amendments (at least on a quarterly basis) necessary to facilitate continued effective Treasury Management;
- c) Receive an annual outturn report on Treasury Management activity prior to the 30th June following each financial year; and
- d) Receive a quarterly update of treasury management activity.

4.3. Audit and Governance Committee

Audit and Governance Committee will:

- a) Monitor these Documents on at least a quarterly basis necessary to facilitate continued effective Treasury Management;
- b) Receive an annual outturn report on Treasury Management activity prior to the 30 June following each financial year; and
- c) Will be responsible for ensuring effective scrutiny of treasury management and policies.

4.4. Head of Corporate Finance and ICT

The Head of Corporate Finance and ICT will:

- a) Draft and submit to Cabinet and Council prior to each financial year, Treasury Management Policy and Strategy Documents;
- b) Implement and monitor these Documents resubmitting any necessary in-year revisions/amendments (at least on a quarterly basis) to Cabinet for approval;

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- c) Draft and submit an annual outturn report on Treasury Management activity to Council, Cabinet, and Audit & Governance by the 30 June following each financial year-end;
- d) Maintain suitable Treasury Management Practices (TMP), setting out the manner in which the Council will seek to achieve its objectives. The TMP's will also prescribe how the treasury activities will be managed and controlled;
- e) Be responsible for the execution and administration of treasury management decisions; and
- f) Act in accordance with the Council's policy statement and treasury management practices, and also in accordance with CIPFA's Standard of Professional Practice on Treasury Management.

4.5 Borrowing and investments

The Council's borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The source from which the borrowing is taken and the type of borrowing should allow the Council transparency and control over its debt.

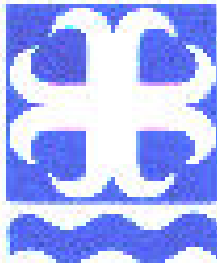
The Council's primary objective in relation to investments remains the security of capital. The liquidity or accessibility of the Authority's investments followed by the yield earned on investments remain important but are secondary considerations.

SEFTON COUNCIL

TREASURY MANAGEMENT

STRATEGY

2012/2013



CORPORATE FINANCE AND ICT

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SEFTON COUNCIL

Treasury Management Strategy

1. Introduction

- 1.1. The Treasury Management Strategy Document sets out in detail how the Treasury Management Activities are to be undertaken in a particular financial year to comply with the Council's Treasury Management Policy.
- 1.2 The Strategy had been produced to incorporate the requirements of the CIPFA Code of Practice on Treasury Management, the 2011 revised Prudential Code for Capital Finance, and the revised Treasury Management in the Public Services code of Practice and Cross-Sectoral Guidance Notes (2011).

2. Treasury Management Strategy 2012/2013

- 2.1. The Strategy for 2012/2013 covers:
 - a) Treasury Limits in force which will limit the borrowing activity of the Council (2.2);
 - b) Prudential Indicators 2012/2013 to 2014/2015 (2.3);
 - c) Interest Rates (2.4);
 - d) Capital Borrowing (2.5);
 - e) Debt Rescheduling opportunities (2.6);
 - f) Borrowing in advance of need (2.7);
 - g) Investment Strategy (2.8).

2.2. Treasury Limits for 2012/2013

The Treasury Limits set by Council in respect of its borrowing activities are:

The overall or Affordable Borrowing Limit (authorised limits per Prudential Indicators 2012/2013).	Maximum £206.500m
--	-------------------

It is a statutory duty under S.3 of the Local Government Act 2003 and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the 'Affordable Borrowing Limit'. The Affordable Borrowing Limit takes into account the Council's current debt, an assessment of external borrowing to finance the Capital Programme in 2012/2013, the need to finance capital expenditure previously met from internal funding, and cash flow requirements.

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The amount of overall borrowing, which maybe outstanding by way of short-term borrowing.	Maximum £15m
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The Short – Term Borrowing limit takes into account an assessment of any potential short-term financing the Council may need (e.g. bank overdraft, short-term funding in anticipation of grant receipts). Short-Term Borrowing is defined as being for less than 12 months.

The proportion of external borrowing which is subject to variable rate interest.	Maximum 33%
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The limit on variable rate borrowing gives the Council flexibility to finance expenditure at favourable market rates, but ensures Council exposure to variable interest commitments is within prudent levels.

2.3. Prudential Indicators

The following prudential indicators are considered relevant by CIPFA for setting an integrated Treasury Management Strategy.

2.3.1 Interest Rate Exposure Indicators

Fixed rate borrowing and investment has the benefit of reducing the uncertainty surrounding future interest rate changes. However, in looking to improve performance best practice recommends retaining a degree of flexibility through the use of variable rates on at least part of the Treasury Management Activity.

To ensure that the risk associated with improved performance which may be achieved by using variable loans and investments is minimised, it is necessary to establish indicators to control the position. The control is based on setting an upper limit for both fixed and variable interest rate exposures expressed as a percentage of the Council's net outstanding principal sum. The following indicators are to be used:

Upper Limit for Interest Rate Exposures	2012/13 %	2013/14 %	2014/15 %
Upper limit for fixed interest rate exposure expressed as a percentage of net outstanding principal sum	340	340	340
Upper limit for variable interest rate exposure expressed as a percentage of net outstanding principal sum	-20	-20	-20

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This prudential indicator has been revised this year due to a number of breaches noted in 2011/12. This revision is because in order to protect the security and liquidity of the Council's funds more cash deposits are being placed overnight rather than longer term.

2.3.2 Non Specified Investment Indicator

The Investment Strategy (Para 2.8.7) allows non-specified investments (see paragraph 2.8.3 for definition) to be made using funds managed by the Council. The indicator is designed to control the level of such non-specified investments when compared to the overall investments of the Council.

Upper Limit on Non-Specified Investments	2012/13 %	2013/14 %	2014/15 %
Upper limit on the value of non-specified investments as a percentage of total investments	40	40	40

2.3.4 Debt Maturity Indicators

The indicators are designed to be a control over an authority having large concentrations of fixed rate debt needing to be replaced at times of high interest rates. The control is based on the production of a debt maturity profile, which measures the amount of borrowing that is fixed rate that will mature in each period as a percentage of total projected borrowing that is fixed rate. Any borrowing decision and related maturity dates will be taken by the Council mindful of maturity profile limits set out below to ensure large concentrations of debt do not fall due for repayment in any one future financial year. The profile reflects borrowing advice provided by Arlingclose, the Council's Treasury Management Advisors, and has been noted by them.

Maturity Structure of Fixed Rate Borrowing During 2011/2012	Upper Limit %	Lower Limit %
Under 12 month	35%	0%
12 months and within 24 months	40%	0%
24 months and within 5 years	40%	0%
5 years and within 10 years	40%	0%
10 years and above	90%	25%

Policy on the use of external service providers

The Council employs Arlingclose as its treasury consultants. Arlingclose were engaged for the first time with effect from 01/04/2012, replacing Sector, following a tendering exercise for the contract. The Council recognises that responsibility for treasury management decisions rests with the Council at all times. It also recognises that there is value in such arrangements in order to acquire access to specialist skills, knowledge, and advice. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly documented, and subjected to regular review.

It should be noted that Arlingclose, although regulated by the FSA, are unregulated in terms of the investment advice that they give to local authorities, because as an organisation it does not give advice in respect of *investments*, which is covered by the FSA, but it gives advice in respect of *deposits*. Under FSA regulations local authority cash balances placed with institutions are classed as deposits.

In so far as deposits with banks are an unregulated activity (under the legal definition contained within the Financial Services and Markets Act 2000) the FSA does not cover advisers, such as Arlingclose, who give advice on the placement of deposits. The Council and Arlingclose do consider, however, that the monitoring of institutions with whom deposits and investments (such as the acquisition of T-Bills, commercial paper, collective investment vehicles and bonds) are made does constitute investment advice in terms of the best practice arrangements that the Council's treasury management operate.

2.3.5 Gross and net debt

This is a new prudential indicator, and ensures that authority does not borrow in advance of need.

Authorised Limit				
	2011/2012 £m	2012/2013 £m	2013/2014 £m	2014/2015 £m
Gross debt	179.500	191.500	190.500	191.500
Investments	54.000	54.000	54.000	54.000
Net Debt	125.500	137.500	136.500	137.500

2.3.6 Credit risk

Virtually any investment involves risk. The Council will consider the credit ratings supplied by a variety of recognised money market organisations, as part of the process to determine the list of Banks where the level of risk is acceptable, with security, then liquidity, being the key aims. As part of this process advice from Arlingclose will be considered, both in terms of maximum duration and level of investment.

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The Council also considers alternative assessments of credit strength, and information on corporate developments and of market sentiment towards counterparties. The following key tools are used to assess credit risk:

- Published credit ratings of the financial institution (minimum F1/A- or equivalent) and its sovereign (minimum AAA);
- Sovereign support mechanisms;
- Credit default swaps (where quoted);
- Share prices (where available);
- Economic fundamentals, such as a country's net debt as a percentage of its GDP);
- Corporate developments, news, articles, markets sentiment and momentum;
- Subjective overlay.
- Background research in the financial press
- Discussion with our treasury consultants
- Internal discussion with Head of Corporate Finance and ICT

As a means of clarifying the level of acceptable risk, the Risk Matrix at **Annex B3** will be used. The Council will only invest in Banks and Building Societies that have a Risk Matrix scoring of F1, A- (or equivalent).

The Council maintains a full record of each investment decision taken, each of which is authorised by an appropriate level of signatory.

2.4. Interest Rates

2.4.1 Arlingclose provide regular forecasts of interest rates to assist decisions in respect of:

- a) Capital Borrowings (2.5);
- b) Debt Rescheduling opportunities, (2.6); and
- c) Investments strategy (2.8).

2.4.2. **Annex B2** gives details of Arlingclose's central view regarding interest rate forecasts.

2.4.3. The advice from Arlingclose takes into account financial activity both in the UK and world economies and the impact of major national and international events. It is essential that borrowing and investment decisions are taken

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mindful of independent forecasts as to interest rate movements. The Council will continue to take account of the advice of Arlingclose.

2.5. Capital Borrowing

2.5.1 The Council's debt portfolio as at 31st January 2012 is as set out below:

Debt Portfolio	
Average Interest Rate	4.49%
<u>Debt Outstanding – Fixed Rate</u>	£m
PWLB	130.990
Other Borrowing	19.748
Other Long Term Liabilities	<u>6.345</u>
Total Debt	157.083

The category of other borrowing (£0.020m) represents counter bonds and mortgages.

Other long term liabilities (£6.345m) represent transferred debt from the Merseyside Residuary Body.

2.5.2 The Council will raise its required finance, following advice from Arlingclose, from the Public Works Loan Board (PWLB), or other local authorities.

The Council's borrowing requirement for 2012/2013 is as follows:

Borrowing Requirement	Estimate £m
New Borrowing	14.345
Replacement Borrowing	<u>0.000</u>
Total Borrowing	14.345

The new borrowing represents the unsupported borrowing as required by the capital programme in 2012/13. As noted in 2.5.4 below the Council is internally borrowed, and may take additional borrowing if required in order to reverse this position.

2.5.3. The Arlingclose forecast for Gilt interest rates (as set out at **Annex B2**). This would suggest that the following strategy is followed:

- The cheapest borrowing will be internal borrowing, which involves running down cash balances and foregoing interest earned at historically low rates.

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Consideration will always be given to long term borrowing rates and the possibility of rates rising, which could mean borrowing at future higher rates which could erode the advantages of internal borrowing

- Temporary borrowing from money markets or other local authorities.

2.5.4. The authority borrows from the PWLB in order to fund part of the capital programme, the maximum that we can borrow being the Capital Financing Requirement (CFR). Current PWLB borrowing, plus lease liabilities and other long term liabilities, is £157.083m, as against a CFR of £227.000m for 2012/13. This position is classed as being internally borrowed which does have the advantage of reducing exposure to interest rate and credit risk. To be internally borrowed is a conscious decision to use cash balances to fund capital expenditure, rather than borrow from the PWLB. This position can be reversed at any time by borrowing from the PWLB.

2.5.5. 2012/13 is expected to experience a continuation of a low bank rate. Hence, internal borrowing is a sensible option where interest rates on deposits are much lower than the current PWLB borrowing rates.

2.5.6. However, as noted in 2.5.3, savings have to be weighed against the potential for incurring long term extra costs by delaying unavoidable new borrowing until later years when PWLB rates are forecast to be higher.

2.5.7. Against this background, caution will be adopted in undertaking borrowing in 2012/2013. The Head of Corporate Finance and ICT will monitor the interest rate market and following advice from Arlingclose, adopt a pragmatic approach to changing circumstances during the year.

2.5.8. External v Internal Borrowing

2.5.9. The Council currently has a difference between gross debt and net debt (gross debt net of cash balances) of £54m. The general aim of the strategy would be to reduce the difference between the two in order to reduce the credit risk of holding investments.

2.5.10. As noted in 2.5.4 above the Council is internally borrowed. If this continues this will reduce the difference between gross and net debt. Early repayment of debt is, however, not a realistic option since the introduction by the PWLB of significantly lower rates on 1 November 2007, which has now been compounded by a considerable further widening of the difference between new borrowing and repayment has meant that large premiums would be incurred.

2.6. Debt Rescheduling Opportunities

2.6.1. As noted in 2.5.10 above, restructuring with the PWLB is now much less attractive than before due to the potentially large premiums that would be incurred.

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The lower interest rate environment and changes in the rules regarding the premature repayment of PWLB loans has adversely affected the scope to undertake meaningful debt restructuring. However, the situation will be monitored and the Council will consider the option of debt restructuring during 2012/2013, should the financial circumstances change.

2.7 Borrowing in advance of need

The Council will not borrow more than, or in advance of, its needs purely to profit from the investment income made on the extra sums borrowed. Any decision to borrow in advance of need will be considered carefully to ensure value for money can be demonstrated and that the Council can ensure the security of such funds.

In determining whether to borrow in advance of need the Council will;

- Ensure that there is a direct link between the capital programme and maturity profile of the existing debt portfolio which supports the need to borrow in advance of need;
- Ensure that the revenue implications of such borrowing have been considered in respect of future plans and budgets; and
- Consider the merits of other forms of funding.

2.8 The Use of Financial Instruments for the Management of Risks

Currently, Local Authorities' legal power to use derivative instruments remains unclear. The General Power of Competence enshrined in the Localism Act is not sufficiently explicit. Consequently, the Authority does not intend to use derivatives.

Should this position change, the Authority may seek to develop a detailed and robust risk management framework governing the use of derivatives, but this change in strategy will require full Council approval.

2.9. Investment Strategy

2.9.1. The Council manages the investment of its surplus funds internally, and operates in accordance with the Guidance on Local Government Investments issued by CLG in April 2010, and the 2011 CIPFA Treasury Management in Public Services and Cross Sectoral Guidance Notes.

2.9.2 The Council's investment priorities are, in order of priority:

- The security of capital
- The liquidity of capital

The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

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2.9.3. Under the system of guidance investments are classified as Specified or Non Specified.

Specified Investments are those which satisfy the following conditions:

- a) The investment and all related transactions are in sterling;
- b) The investment is short-term i.e. less than 12 months;
- c) The investment does not involve the acquisition of share or loan capital;
Either:
 - i) The investment is made with the UK Government or local authority;
OR
 - ii) The investment is made with a body or scheme, which has been awarded a high credit rating by a credit rating agency.

Non Specified Investments are those that do not meet the above definition.

2.9.4 The Council's investment portfolio as at 31st January 2012 is set out below:

Investments Portfolio	£m
Specified Investments	67.485
Non-Specified Investments	<u>Nil</u>
Total	67.485

2.9.5 The Council banks with National Westminster, which is part of the Royal Bank of Scotland Group. It is classed as a part government-owned institution. At the current time, it does meet the minimum credit criteria of A- (or equivalent) long term. Even if the credit rating falls below the Authority's minimum criteria the Council will continue to be used for short term liquidity requirements (overnight and weekend investments) and business continuity arrangements.

2.9.6 The Council undertook a tendering exercise in 2010/11 in order to award the banking contract for a period of two years, with an annual option to extend for one year over a three year period.

2.9.7 The Council Strategy will be:

- a) To make Specified Investments in line with the above conditions;
- b) To make Non Specified Investments which satisfy all of the above with the exception of 2.8.3 b) which is extended to a period of less than 2 years;

It is suggested that the following investment vehicles should be made available to the authority:

Investment	Reason	Risk
Term deposits made with banks as listed in annexe B5, following the investment criteria as listed in annexe B4. Deposits also	Certainty of rate of return and repayment of capital	Liquid, with potential for deterioration in credit risk. Most Local Authorities are not credit rated.

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acceptable on an overnight call basis. Can also deposit with Local Authorities.		
Supra-national bonds	Greater levels of security of investment. A fairly liquid investment, though not as liquid as Gilts	High credit rating as placed with EIB and World Bank (AAA rated). Bond price may vary if sold early
Money Market Fund (MMF)	Similar or better rate than bank deposits, with no penalty charge for early redemption. Same day liquidity	High credit rating via the International Money Market Fund Association or IMMFA (AAA rated)
Gilts	Liquid and very secure. Interest paid every six months	High credit rating as Government backed (AAA rated). Bond price may vary if sold early
Treasury Bills	Liquid and very secure. Duration of < 1 year	No interest paid – they are zero-coupon rated, but are typically bought at a discount.
Debt Management Agency Account Deposit Facility (DMADF)	Secure investment	High credit rating as Government backed (AAA rated). Interest earned low. Investment cannot be repaid early

The maximum that can be invested in any of the above vehicles is £25m, except for term deposits and MMF's for which no limit is set. The maximum maturity period in any of the above is 1 year. However, advice from Arlingclose will be taken into account in determining whether shorter maximum investment period is more appropriate during the year.

It is NOT proposed that the Council will be making any Non Specified Investments in 2012/2013 that do not comply with the above, however, should the situation change, the Head of Corporate Finance and ICT will report to Cabinet requesting appropriate approval to amend the Strategy before any such investments are made.

2.9.8 The Bank of England Base Rate has remained significantly low at 0.5%. Arlingclose's project of interest rates is to remain at 0.5% to March 2015 **Annex B2**. Given the volatility of the market, the forecasts can only be used as a general guide to the future position. Consequently for 2012/13, the Authority has taken a prudent view and budgeted for an investment return based upon Arlingclose's base rate projection during 2012/13.

2.9.9. In order to pursue the strategy of maximising returns from surplus funds at an acceptable level of security and liquidity, the following Brokers will be utilised for investments of over one month:

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- ii) Sterling International Brokers Limited;
- iii) Tradition UK Limited;
- iv) Tullet Prebon Limited.

2.9.10 As noted in previous year's report, Cabinet agreed that the limit of investments that can be made to any UK or international banking institution or group was raised from £15m to £25m. This reflected the fact that our counterparty list became drastically reduced following the downgrading of many banks by the credit rating agencies following the credit crunch. However, now that stability has now entered the banking sector, on an operational basis we are using an institutional or group limit of £15m in order to increase security of capital by spreading risk. However, the overall limit of £25m will be maintained as a maximum, should conditions change.

2.9.11 The current list of Banks at **Annex B5** has been produced for information; this takes account of the most up-to-date credit ratings available in respect of the Banks and Building Societies named, and utilising Arlingclose's creditworthiness advice. It has also been rationalised to only include institutions that are backed by a sovereign rating of AAA, which implies that national Governments would support the Banks if they were facing financial difficulties. The organisations listed will be monitored daily with the assistance of Arlingclose to ensure they continue to meet the requirements outlined at **Annex B4**. In the event of a change in credit rating or outlook, the Council, with advice from Arlingclose, will evaluate its significance and determine whether to include (subject to Cabinet approval) or remove the organisation from the approval list.

2.9.14 If any of the Council's investments appear at risk of loss due to default (ie this is a credit related loss, and not one resulting from a fall in price due to movements in interest rates) the Council will make an assessment of whether a revenue provision of an appropriate amount is required.

2.9.15 Performance monitoring

The performance of the Council's investment strategy will be assessed by monitoring the average interest rate earned against the average 7 day LIBID on a monthly basis. This will be reported to Cabinet on a quarterly basis.

2.10 Member and Officer training

CIPFA's Code of Practice requires the Head of Corporate Finance and ICT to ensure that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities.

In order to address this, the Treasury Group Accountant has obtained the CIPFA/Association of Corporate Treasurers sponsored qualification CertITM-PF, which is aimed at giving a solid grounding in treasury management and

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which is tailored to the public sector. Training was provided for Members of the Audit & Governance Committee on 10 February 2012.

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ANNEX B2

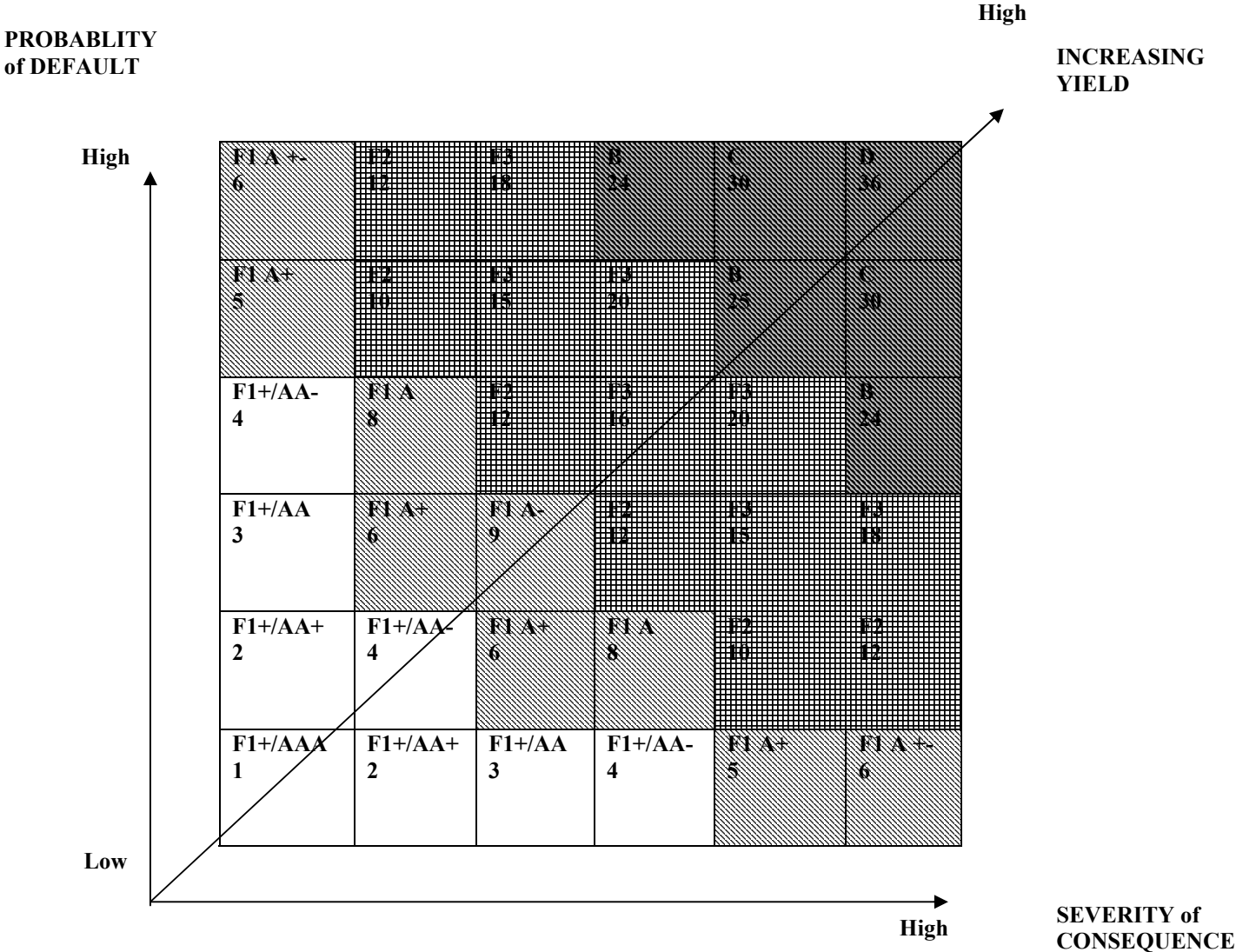
ARLINCLOSE INTEREST

RATE FORECAST

Arlingclose's Interest Forecast as at 31 January 2012

	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15
Official Bank Rate													
Upside risk					0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk													
3-month LIBID													
Upside risk	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Central case	1.00	1.00	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
1-yr LIBID													
Upside risk	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	1.75	1.75	1.75	1.75	1.80	1.85	1.95	2.00	2.00	2.00	2.00	2.00	2.00
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
5-yr gilt													
Upside risk	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	1.20	1.30	1.40	1.50	1.60	1.70	1.80	2.00	2.00	2.00	2.10	2.15	2.25
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
10-yr gilt													
Upside risk	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	2.10	2.15	2.30	2.40	2.50	2.60	2.70	2.75	2.80	2.85	2.90	3.00	3.00
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
20-yr gilt													
Upside risk	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	3.00	3.05	3.10	3.20	3.25	3.30	3.35	3.40	3.45	3.50	3.60	3.75	3.75
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
50-yr gilt													
Upside risk	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	3.20	3.40	3.60	3.70	3.80	3.90	4.00	4.00	4.00	4.10	4.20	4.25	4.25
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25

RISK ASSESSMENT MATRIX - FITCH RATINGS



SEFTON RISK TOLERANCE	4	
LOW RISK	1 - 4	Investment Grade
LOW - MEDIUM RISK	5 - 9	Investment Grade
MEDIUM RISK	10 - 20	Investment Grade
HIGH RISK	21 - 36	Speculative Grade

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ANNEX B4

FITCH RATING EXPLANATION

Short term rating

This places greater emphasis on the liquidity necessary to meet financial commitments.

F1 – highest credit quality - + denotes exceptionally strong

F2 – good credit quality

F3 – fair credit quality

Long term rating

AAA – highest credit quality – lowest expectation of credit risk and exceptionally strong capacity to pay financial commitments

AA – very high credit quality – very low credit risk and very strong capacity to pay financial commitments

A – high credit quality – low credit risk and considered to have strong capacity to pay financial commitments, but may be vulnerable

Viability rating

This assesses how a bank would be viewed if it were entirely independent and could not rely on external support.

Aaa – highest fundamental credit quality

aa – very high fundamental credit quality

a – high fundamental credit quality

bbb – good fundamental credit quality

bb – speculative fundamental credit quality

b – highly speculative fundamental credit quality

ccc – substantial fundamental risk

cc – very high levels of fundamental credit risk

c – exceptionally high levels of fundamental credit risk

f – failed

Support rating

Judgement of a potential supporter's (either sovereign state of parent) propensity to support the bank and its ability to support it.

1 – extremely high probability of external support

2 – extremely high probability of external support

3 – moderate probability

4 – limited probability

5 – cannot rely on support

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Investments with UK and International Banks (including the Nationwide Building Society) are limited by the Head of Corporate Finance and ICT to a maximum principal sum of £25m with any of the institutions listed above. A group limit of £25m will also be applied to institutions that are part of a group.

Investment with the Government's Debt Management Account Deposit Facility (DMADF), local authorities or any AAA MR1 + rated or equivalent Money Market Fund (with a maximum 60 day weighted average maturity) will be limited to a maximum principal sum of £25m. However, the Head of Corporate Finance and ICT can decide day to day maximum sums lower than this; an operational limit of £15m is currently in place.

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ANNEX B5

SEFTON COUNCIL STANDARD LENDING LIST – main list

<u>UK and International Banks (including Nationwide Building Society)</u>	Fitch rating RATING	Viability rating	Support rating
<u>United Kingdom AAA</u>			
Barclays	F1 / A	a	1
HSBC	F1+ / AA	aa-	1
Lloyds TSB/HBOS – part Government owned	F1 / A	bbb	1
RBS Group – part Government owned	F1 / A	bbb	1
Nationwide	F1 / A+	a+	1
Santander	F1/A+	a+	1
<u>Overseas</u>			
Australia and NZ Banking Group	F1+/AA-	aa-	1
Commonwealth Bank of Australia	F1+/AA-	aa	1
National Australia Bank	F1+/AA-	aa	1
Westpac Banking Group	F1+/AA-	aa	1
Bank of Montreal	F1+/AA-	aa	1
Canadian Imperial Bank of Commerce	F1+/AA-	aa-	1
Royal Bank of Canada	F1+/AA	aa	1
Toronto-Dominion Bank	F1+/AA-	aa	1
JP Morgan Chase	F1+/AA-	aa-	1

SEFTON COUNCIL

MONEY LAUNDERING

POLICY

2012/13



CORPORATE FINANCE AND ICT

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1. **Introduction**

- 1.1. This document sets out the Council's policy in relation to money laundering. The aim of the policy is to outline the approach the Council will adopt complying with its legal and professional obligations in relation to money laundering. The policy applies to all employees of the Council and aims to maintain the high standards of conduct that currently exist within the Council by preventing criminal activity through money laundering.

2. **What is Money Laundering?**

- 2.1. Money laundering is defined within Part 7 of the Proceeds of Crime Act (POCA) 2002 and Section 18 of the Terrorism Act 2000.
- 2.2. Money laundering is defined as:
 - a) Concealing, disguising, converting, transferring criminal property or removing it from the UK (s327 of the POCA 2002); or
 - b) Entering into or becoming concerned in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person (s328 of the POCA 2002); or
 - a) Acquiring, using or possessing criminal property (s329 of the POCA 2002); or
 - b) Becoming concerned in an arrangement facilitating concealment, removal from the jurisdiction, transfer to nominees or any other retention or control of terrorist property (s18 of the Terrorism Act 2000).
- 2.3. The above are the primary money laundering offences and thus prohibited acts under the legislation.
- 2.4. Potentially, any member of staff could be caught by the money laundering provisions if they suspect money laundering and either become involved with it and/or do nothing about it. This policy outlines the approach to be taken in raising any concerns about money laundering.
- 2.5. It is recognised that the risk to the Council of contravening the legislation is low. However, it is extremely important that all employees are familiar with the legal responsibilities, as serious criminal penalties can be imposed for breaches of the legislation.

3. **Obligations on the Council**

- 3.1. The Council is required to undertake the following:
 - a) Appoint a Money Laundering Reporting officer ("MLRO") to receive disclosures from employees concerning suspicions of money laundering activity;
 - b) Implement disclosure procedures to enable the reporting of suspicions of money laundering by all staff;

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- c) Provide training to those staff considered to be most likely to encounter money laundering.

4. **The Money Laundering Reporting Officer**

- 4.1. The officer nominated to receive disclosures about money laundering activity within the Council (w.e.f. 1 April 2011) will be Margaret Rawding, Head of Corporate Finance and ICT, who can be contacted as follows:

Address: 4th Floor, Magdalen House, Trinity Road, Bootle, L20 3NJ
Telephone No: 0151 934 4096.

- 4.2. The officer nominated to act as deputy in the absence of the MLRO is Jeff Kenah, Corporate Finance Manager, who can be contacted as follows:

Address: 4th Floor, Magdalen House, Trinity Road, Bootle, L20 3NJ
Telephone No: 0151 934 4104.

5. **Disclosure Procedure**

- 5.1. Following approval of the policy, guidelines will be separately produced by the MLRO and made available to all staff detailing the action that should be taken in the event of suspicions of money laundering. They will include a value limit for cash transactions above which staff must report the transaction to the MLRO. The value of this transaction limit has been set at £10,000.

- 5.2. The Guidelines will be drafted in a manner that ensures the Council and its staff act in a manner which complies with the relevant money laundering legislation. The guidelines will detail:

- a) How staff should report their suspicions to the MLRO;
- b) Action to be taken by staff once the report has been made to the MLRO;
- c) Evaluation action to be taken by the MLRO on receipt of a report;
- d) Action to be taken by the MLRO following evaluation of the report.

6. **Training and Awareness**

- 6.1. The success of the Council's actions in seeking to prevent money laundering will depend largely on the communication of the policy and guidelines to staff, particularly those staff more involved in the handling of cash transactions which could be significant and exceed the transaction limit noted at Para 5.1. In respect of current staff, communication of the money laundering policy and guidelines will be carried out as part of the normal cascading of information by senior management within the Council and by publishing the documents on the intranet.

- 6.2. Communication of the policy and guidelines will also be achieved as part of induction training of relevant new employees of the Council.

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7. Summary

- 7.1. The Council is determined to ensure that it has robust procedures in order to prevent money laundering as a result of criminal activity. This Policy has been written in order to ensure that the Council establishes procedures that will ensure that it meets its legal and professional requirements in relation to money laundering but in a way that reflects the low risk to the Council of contravening the legislation.

Report to: Cabinet Council **Date of Meeting:** 16 February 2012
1 March 2012

Subject: The Prudential Code for Capital Finance in Local Authorities - Prudential Indicators 2012/13

Report of: Head of Corporate Finance & ICT

Wards Affected: All

Is this a Key Decision? No **Is it included in the Forward Plan?** No

Exempt/Confidential No

Purpose/Summary

To establish the Prudential Indicators for Sefton required under the Prudential Code for Capital Finance in Local Authorities.

Recommendation(s)

Cabinet is recommended to:

- a) Approve the Prudential Indicators detailed in the report, and summarised in Annex A, as the basis for compliance with The Prudential Code for Capital Finance in Local Authorities;
- b) Approve the amendments of relevant Prudential Indicators in the event that any unsupported borrowing is approved as part of the 2012/2013 Revenue Budget;
- c) Delegate authority to the Head of Corporate Finance & ICT to manage the Authorised Limit and Operational Boundary for external debt as detailed in Section 5 of the report; and
- d) Refer the report to Council for approval.

Council is requested to approve the above recommendations

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How does the decision contribute to the Council's Corporate Objectives?

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		√	
2	Jobs and Prosperity		√	
3	Environmental Sustainability		√	
4	Health and Well-Being		√	
5	Children and Young People		√	
6	Creating Safe Communities		√	
7	Creating Inclusive Communities		√	
8	Improving the Quality of Council Services and Strengthening Local Democracy		√	

Reasons for the Recommendation:

To enable the Council to effectively manage its Capital Financing activities, and comply with the CIPFA Prudential Code for Capital Finance in Local Authorities.

What will it cost and how will it be financed?

(A) Revenue Costs

There are no financial implications as a result of this report.

(B) Capital Costs

None.

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal	Statutory Duty	
Human Resources	None	
Equality		
1. No Equality Implication		<input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated		<input type="checkbox"/>
3. Equality Implication identified and risk remains		<input type="checkbox"/>

Impact on Service Delivery:

None.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance (FD1342) and The Head of Corporate Legal Services (LD699/12) have been consulted and any comments have been incorporated in the report.

Are there any other options available for consideration?

None.

Implementation Date for the Decision

With effect from 1 April 2012.

Contact Officer: Margaret Rawding

Tel: 0151 934 4082

Email: Margaret.rawding@sefton.gov.uk

Background Papers:

Prudential Indicators Report 2011/12.

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BACKGROUND:

1. Introduction

- 1.1. The CIPFA Prudential Code for Capital Finance in Local Authorities (The Prudential Code) was introduced following the Local Government Act 2003. It details a number of measures/limits/parameters (Prudential Indicators) that are required to be set each financial year. The approval of these limits will ensure that the Council complies with the relevant legislation and is acting prudently and that its capital expenditure proposals are affordable. This report presents for approval the Prudential Indicators required to be set by the Council in 2012/2013 to comply with the code.
- 1.2. The Council is required to approve Prudential Indicators for the following items:
- (i) Capital Expenditure (Section 2);
 - (ii) Financing Costs/Net Revenue Stream (Section 3);
 - (iii) Capital Financing Requirement (Section 4);
 - (iv) External Debt (Section 5-7);
 - (v) Impact on Council Tax (Section 8);
 - (vi) Treasury Management Indicators (Section 9).

These indicators are presented in the following paragraphs and summarised at Annex A.

2. Prudential Indicator – Capital Expenditure

- 2.1. This indicator details the overall total planned capital expenditure of the Council and therefore reflects the Council's Capital Programme. This is the subject of a separate report elsewhere on today's agenda.
- 2.2. The actual capital expenditure that was incurred in 2010/2011 and the estimates for the current and future years capital programme recommended for approval are:-

	<u>2010/2011</u> <u>Actual</u> <u>£m</u>	<u>2011/2012</u> <u>Estimate</u> <u>£m</u>	<u>2012/2013</u> <u>Estimate</u> <u>£m</u>	<u>2013/2014</u> <u>Estimate</u> <u>£m</u>	<u>2014/2015</u> <u>Estimate</u> <u>£m</u>
Childrens Services	32.251	14.184	4.755	0.233	0
Housing – General Fund	3.763	3.091	0.419	0	0
Technical Services	6.515	6.672	2.587	9.040	10.288
Other Services	32.631	22.949	26.773	6.997	1.085
Total	75.160	46.896	34.533	16.270	11.373

- 2.3. At this time, the Council has only received provisional indications as to the capital resources it may be given in 2012/2013 and 2013/2014 and this is reflected in the current levels of planned expenditure.

3. Prudential Indicator – Financing Costs/Net Revenue Stream

- 3.1. This indicator measures the total capital financing costs of capital expenditure as a proportion of the total level of income from Government grants and local Council Taxpayers. From 2011/12 Net Revenue Stream no longer includes Area Based Grant.
- 3.2. Estimates of the ratio for the current and future years and the actual figures for 2010/2011 are:

Financing Costs/Net Revenue Stream					
	<u>2010/2011</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
General Fund	4.9%	5.6%	6.1%	6.2%	6.2%

- 3.3. The estimates of financing costs include current commitments and proposals contained in the capital programme. The 2010/2011 percentage is lower than future projections as it reflects the decision to internally borrow for funds for the capital programme, rather than borrow externally, which has reduced the cost of borrowing, and also the reduced projected returns on investment income from 2012/2013.

4. Prudential Indicator – Capital Finance Requirement

- 4.1. The Capital Financing Requirement indicator reflects the Authority's underlying need to borrow for a capital purpose. This is based on historic capital financing decisions and a calculation of future years planned capital expenditure requirements. It should be noted that the Council's PFI scheme for Crosby Leisure Centre has now been included as part of the Capital Financing Requirement, as have a number of assets that have reclassified as finance lease assets. This is due to the implementation of International Financial Reporting Standards.
- 4.2. Estimates of the end of year Capital Financing Requirement for the current and future years are set out in the table below:

Capital Financing Requirement					
	<u>31/03/11</u>	<u>31/03/12</u>	<u>31/03/13</u>	<u>31/03/14</u>	<u>31/03/15</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
General Fund	210.033	220.300	227.000	220.000	216.000

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- 4.3. CIPFA's Prudential Code for Capital Finance in Local Authorities includes the following statement as a key indicator of prudence:
"In order to ensure that the medium term net borrowing will only be for a capital purpose, the local authority should ensure that net external borrowing does not, except in the short-term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years".
- 4.4. The Authority will comply with this requirement in 2012/13, 2013/14 and 2014/15.

5. **Prudential Indicator – Borrowing Limits**

- 5.1. External borrowing undertaken by the Council arises as a consequence of all the financial transactions of the Authority, both capital and revenue, and not simply those arising from capital spending. The Council manages its Treasury Management position in terms of its external borrowings and investments in accordance with its approved Treasury Management Strategy and Policy Statements. These documents are presented for approval elsewhere on today's agenda.
- 5.2. **The Operational Boundary**
- 5.2.1. The Operational Boundary sets a limit on the total amount of long-term borrowing that the Council can undertake. It reflects the Authority's current commitments, existing capital expenditure plans, and is consistent with its approved Treasury Management Policy Statement and practices. The figures are based on prudent estimates.
- 5.2.2. In respect of the Operational Boundary it is recommended that the Council approves the following limits for the next three financial years. These limits separately identify borrowing from other long-term liabilities.

Operational Boundary				
	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Borrowing (long-term)	173.000	185.000	185.000	186.000
Other long term liabilities (transferred debt MRB)	6.500	6.500	5.500	5.500
Total	179.500	191.500	190.500	191.500

- 5.2.3. The Council is asked to approve these limits and to delegate authority to the Head of Corporate Finance and ICT to manage the movement between the separately agreed limits for borrowing and other long-term liabilities within the total limit for any individual year. Any such changes made will be reported to Members at the earliest opportunity.

5.3. The Authorised Limit

5.3.1. The Authorised Limit sets a limit on the amount of borrowing (both short and long-term) that the Council undertakes. It uses the Operational Boundary as its base but also includes additional headroom to allow, for example, for exceptional cash movements. Under the terms of section 3 (1) of the Local Government Act 2003, the Council is legally obliged to determine and review how much it can afford to borrow i.e. the authorised limit. The authorised limit determined for 2012/13 will be the statutory limit determined under section 3 (1).

5.3.2. The Council is asked to delegate authority to the Head of Corporate Finance and ICT to effect movement between the separately agreed figures for borrowing and other long-term liabilities within the total authorised limit for any year. Any such changes will be reported to the Council at the earliest opportunity. The Authorised Limit for external debt are:

Authorised Limit				
	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Borrowing (short & long-term)	188.000	200.000	200.000	201.000
Other long term liabilities	6.500	6.500	5.500	5.500
Total	194.500	206.500	205.500	206.500

6. Prudential Indicator – Actual External Debt

6.1. The Prudential Code requires that in setting indicators for 2012/13, the Council reports its actual levels of external debt as at 31 March 2011. The Council's actual external debt at 31 March 2011 was £159.528 comprising £131.354m borrowing, £21.610m in respect of finance lease liabilities, and £6.564m other long-term liabilities.

7. Gross and Net Debt

7.1. This is a new prudential indicator, and is used to ensure that the authority does not borrow in advance of need.

Authorised Limit				
	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Gross debt	179.500	191.500	196.500	191.500
Investments	54.000	54.000	54.000	54.000
Net Debt	125.500	137.500	136.500	137.500

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8. Prudential Indicator – Impact on Council Tax

- 8.1. Under the Prudential Code, Local Authorities are able to decide the level of borrowing required to meet the demands of the capital programme. The Authority is given revenue support for borrowing up to a limit determined by Central Government, and this will therefore have no effect on the Council Tax. However, any unsupported borrowing will have to be funded by Council Taxpayers. As such, these indicators are a key measure of affordability of unsupported borrowing undertaken to support capital investment decisions.
- 8.2. The indicators for the impact on Council Tax of unsupported borrowing are to reflect any ADDITIONAL/NEW unsupported borrowing approval.
- 8.3. Due to current budget constraints no new starts have been included within the 2012/13 capital programme.
- 8.4. In the event that any amendments are made to the New Starts Capital Programme considered on today's agenda, the actual indicator will be recalculated accordingly.

9. Prudential Indicator – Treasury Management

- 9.1. The Council has adopted the CIPFA Code of Practice for Treasury Management in the Public Services. The annual Policy and Strategy Documents establish the following limits/controls for interest rate exposure, debt maturity profiles and an upper limit for investments made by the Council for more than 364 days.

9.2 Interest Rate Exposure

- i) An upper limit on its fixed interest rate exposures for 2011/2012 – 2013/2014 of 340% of its net outstanding principal sums;
- ii) An upper limit on its variable interest rate exposures for 2011/2012 – 2013/2014 of -20% of its net outstanding principal sums.

This indicator calculates exposure of either fixed or variable rate borrowings, less fixed or variable rate investments, expressed as a percentage of both fixed and variable rate borrowings net of fixed and variable rate investments.

9.3 Debt Maturity Profile

A debt maturity profile is detailed in the following table i.e. the amount of borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate.

Debt Maturity Profile	<u>Upper limit</u>	<u>Lower limit</u>
Under 12 months	35%	0%
12 months and within 24 months	40%	0%
24 months and within 5 years	40%	0%
5 years and within 10 years	40%	0%

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10 years and above	90%	25%
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9.4 Investments Over 1 Year

An upper limit on the value of non-specified investments over 1 year, but less than 5 years with Banks/Building Societies (as approved in the annual Policy and Strategy Documents) of 40% of Total Investments. This limit will be kept under review to take advantage of any opportunities in the current money market. Members will be advised of any change.

10. Monitoring Prudential Indicators

- 10.1. Having established the Prudential Indicators the Head of Corporate Finance and ICT will monitor them during the year and report on actual performance as part of the Council's Annual Accounts. In the event of any variations during a financial year, reports will be presented to Cabinet highlighting the variation, the reason and the corrective action to be taken.

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ANNEX A

Summary of Prudential Indicators.

Capital Expenditure - 2010/2011 to 2014/2015 (Para 2)					
	2010/2011 £m Actual	2011/2012 £m Estimate	2012/2013 £m Estimate	2013/2014 £m Estimate	2014/2015 £m Estimate
Education	32.251	14.184	4.755	0.233	0.000
Housing – General Fund	3.763	3.091	0.419	0.000	0.000
Technical Services	6.515	6.672	2.587	9.040	10.288
Other Services	32.631	22.949	26.773	6.997	1.085
Total non-HRA	75.160	46.896	34.533	16.270	11.373
TOTAL	75.160	46.896	34.533	16.270	11.373

Financing Costs/Net Revenue Stream (Para 3)					
	2010/2011 Actual	2011/2012 Estimate	2012/2013 Estimate	2013/2014 Estimate	2014/2015 Estimate
	4.9%	5.6%	6.1%	6.2%	6.2%

Capital Financing Requirement (Para 4)					
	31/03/2011 £m Actual	31/03/2012 £m Estimate	31/03/2013 £m Estimate	31/03/2014 £m Estimate	31/03/2015 £m Estimate
Non HRA	210.033	220.300	227.000	220.000	216.000

Operational Boundary (Para 5)				
	2011/2012 £m	2012/2013 £m	2013/2014 £m	2014/2015 £m
Borrowing	173.000	185.000	185.000	186.000
Other long term liabilities	6.500	6.500	5.500	5.500
Total	179.500	191.500	190.500	191.500

Authorised Limit (Para 5)

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	2011/2012 £m	2012/2013 £m	2013/2014 £m	2014/2015 £m
Borrowing	188.000	200.000	200.000	201.000
Other long term liabilities	6.500	6.500	5.500	5.500
Total	194.500	206.500	205.500	206.500

Gross and Net Debt (Para 7)				
	2011/2012 £m	2012/2013 £m	2013/2014 £m	2014/2015 £m
Gross Debt	179.500	191.500	190.500	191.500
Investments	-54.000	-54.000	-54.000	-54.000
Net Debt	125.500	137.500	136.500	137.500

Unsupported Borrowing (Para 8)			
	2012/2013 £m	2013/2014 £m	2014/2015 £m
General Fund	0.000	0.000	0.000

Impact on the Band D Council Tax (Para 8)			
	2012/2013 £	2013/2014 £	2014/2015 £
	0.00	0.00	0.00

Limit on Interest Rate Exposure (Para 9)		
	Upper Limit	Lower Limit
Fixed Borrowing/ Investment	340%	120%
Variable Borrowing/ Investment	-20%	-240%

Fixed Rate Debt Maturity (Para 9)
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	Upper Limit	Lower Limit
Under 12 months	35%	0%
12 months and within 24 months	40%	0%
24 months and within 5 years	40%	0%
5 years and within 10 years	40%	0%
10 years and above	90%	25%

Investments over 1 Year (Para 9)

Non-Specified Investments over 1 year but less than 5 years with approved Banks/Building Societies)) 40% of Total Investments)

Report to: Cabinet

Date of Report: 16th February 2012

Subject: Regional Growth Fund Bids for the North Liverpool and South Sefton Strategic Regeneration Framework

Report of: Director of Built Environment

Wards Affected: Linacre, Derby

Is this a Key Decision? Yes **Is it included in the Forward Plan?** Yes

Exempt/Confidential No

Purpose/Summary

To advise members of the outcome of Regional Growth Fund (RGF) Round 2.

Recommendation(s)

1. That Cabinet notes progress with Regional Growth Fund Rounds 1 and 2.
2. That the conditional offer of £35 million from the Dept of Business Innovation & Science (BIS) to Sefton Council for River Dredging, is noted.
3. That Cabinet authorises the Strategic Director – Places and Head of Corporate Finance & ICT to undertake all necessary due diligence to progress the offer to unconditional offer stage
4. That the Council accepts in principle the role of accountable body for the River Dredging project, subject to negotiation of a satisfactory legal agreement with Peel Ports (as Statutory Port Authority), completion of due diligence, and an unconditional grant offer letter from BIS.
5. That officers proceed to negotiate a legal agreement with Peel Ports in respect of the River Dredging project, and report progress to Members at a subsequent meeting.
6. That Members approve in principle the commissioning of a Wide Area study to provide a spatial masterplan and investment programme, so that the benefits of investment in Port Expansion can be maximised for local communities
7. That officers are authorised to prepare bids for Round 3 of Regional Growth Fund, and to report back in due course.

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How does the decision contribute to the Council's Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		✓	
2	Jobs and Prosperity	✓		
3	Environmental Sustainability	✓		
4	Health and Well-Being		✓	
5	Children and Young People		✓	
6	Creating Safe Communities		✓	
7	Creating Inclusive Communities		✓	
8	Improving the Quality of Council Services and Strengthening Local Democracy		✓	

Reasons for the Recommendation:

To approve arrangements for progressing an RGF Bid for North Liverpool and South Sefton SRF.

What will it cost and how will it be financed?

(A) Revenue Costs

The objective of the legal agreement with Peel Ports is to ensure the Council is indemnified for all costs, liabilities and charges associated with the delivery of the River Dredging project.

Assuming the role of accountable body will generate additional management costs. A schedule of costs is being prepared and will cover the cost of due diligence, financial management of the contract, and associated studies necessary to verify performance. This schedule will be placed inside the agreement and charges will be met in full by Peel Ports.

(B) Capital Costs

As above.

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal
Human Resources
Equality

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- | | | |
|----|--|-------------------------------------|
| 1. | No Equality Implication | <input type="checkbox"/> |
| 2. | Equality Implications identified and mitigated | <input checked="" type="checkbox"/> |
| 3. | Equality Implication identified and risk remains | <input type="checkbox"/> |

The equality impact and mitigation measures are as described in the full RGF application, and will be further developed if the bid is successful.

Impact on Service Delivery:

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT (FD.1292) and Head of Corporate Legal Services (LD 689/12) have been consulted and any comments have been incorporated into the report.

Are there any other options available for consideration?

Not to support the SRF or apply for RGF would be to forego access to additional resources at a time of considerable spending restraint.

Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting

Contact Officer: Mark Long
Tel: 0151 934 3471
Email: mark.long@sefton.gov.uk

Background Papers:

The following papers are available for inspection by contacting the above officer:

DPP Shape (2010), [A Strategic Regeneration Framework for North Liverpool: Liverpool and Sefton Working Together](#) and [Executive Summary](#) (May 2011)

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Introduction

1. Members received a report on progress with the Strategic Regeneration Framework (SRF) for North Liverpool/South Sefton at their meeting on 23rd June 2011. It was resolved:
 - a) To authorise the Director of Built Environment to proceed with Regional Growth Fund applications in support of the North Liverpool and South Sefton Strategic Regeneration Framework
 - b) To report back with the results of the Regional Growth Fund applications

Background

2. Liverpool and Sefton Councils have been co-operating since autumn 2009 on a large scale regeneration initiative for the 6 wards of north Liverpool and south Sefton (Linacre & Derby in Sefton).
3. Part 1 of this report summarises progress made since June as regards delivery planning, governance arrangements, and the endorsements secured from national government.
4. Part 2 of the report describes the results of Round 2 of Regional Growth Fund including two large successful applications benefiting the SRF area, and subsequent post-bid activity.

PART 1: Update

Governance

5. An SRF Officer Steering Group continues to manage the partnership between Liverpool City Council and Sefton Council.
6. The Steering Group produced an internal draft Delivery Plan for 2011/12 in June 2011. This was forwarded to three Thematic Groups (for Prosperity, People and Places), which were set up to take ownership of each strand of the Delivery Plan and populate it with projects. Sefton Council officers, public sector partners, and community representatives via Sefton's Community Engagement Network, are all represented, alongside their Liverpool colleagues.
7. The Thematic Groups are revising the Delivery Plan and will be producing a revised version for 2012/13. It will be brought before members at the earliest opportunity for their consideration. However, officers are working in these critical areas for Sefton:
 - Progressing SuperPort, including expansion of the Port of Liverpool at Seaforth
 - Investigating a new role for Bootle Town Centre/Office Quarter

- Taking forward housing market renewal
- Developing the low carbon agenda (investment, jobs, skills)
- Support for green infrastructure
- Support for troubled families

Central Government endorsement

8. Four senior officials of Communities & Local Government and Business Innovation & Science were invited to tour the SRF area in March 2011, followed by a well-attended workshop including the key developers and investors in the area such as Peel and Harcourt. The meeting helped to create a favourable impression of the potential of the SRF area amongst officials deeply involved in organising the Regional Growth Fund.
9. Follow-up included:
 - An event at the Liverpool Embassy in London in midsummer to continue to maintain the profile of the area with investors
 - The Economic Strategy of the Shadow Liverpool City Region Local Enterprise Partnership Board designated North Liverpool/South Sefton one of the city region's top investment priorities
 - The Right Honourable Lord Michael Heseltine and Sir Terry Leahy strongly endorsed North Liverpool/South Sefton and its potential in their landmark report: Rebalancing Britain: Policy or Slogan. Liverpool City Region – Building on its Strengths (October 2011).
 - A national media campaign (“I’m Liverpool”) was launched in the autumn/ winter, coinciding with the announcement of the Round 2 RGF winners.
 - GVA Grimley hosted a high-profile event in December 2011 at the Liverpool Embassy in which South Sefton and North Liverpool sites were promoted to senior investors and developers
10. A second central government visit will take place on 20th January 2012 for senior officials to review progress, and a ministerial visit is being investigated for later in 2012.
11. This is all evidence of a gathering momentum behind North Liverpool/South Sefton as a place whose time has come.

PART 2: Regional Growth Fund Bids

Background

12. RGF was announced in the 2010 Spending Review. It is designed to promote private sector growth and investment in regions threatened by public sector job loss. All applicants are required to generate jobs, investment and growth over a three year profile.
13. Round 1 was aimed specifically at private companies seeking gap funding who could deliver jobs and growth. On 11 April it was announced that 4 Merseyside applications in Round 1 had been successful:
 - Pilkingtons
 - Stobart Group

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- Ames Goldsmith and
- Liverpool Echo and Daily Post.

The first three received grants to invest in their companies, the fourth received funding to award grants to potential entrepreneurs across Merseyside.

14. The feedback from government officials on Round 1 was that Merseyside did not attract its “fair share” of RGF awards, and this would be addressed in Round 2.

Round 2

15. Round 2 of the Regional Growth Fund was launched on 11 April. While still accepting individual applications from companies, it now also focussed on strategic investment in area-based programmes.
16. On 31st October the Dept of Business Innovation & Science (BIS) announced the results of Round 2. In summary:
- 492 bids were submitted (140 from the North West, about 30 were submitted from Merseyside)
 - 119 were successful (34 from the North West, 8 from Merseyside)
17. Three successful bids directly benefit Sefton:
- Post-Panamax River Dredging/River Terminal (Peel Ports with Sefton MBC)
 - Anfield & Queens/Bedford (Keepmoat with Liverpool CC & Sefton MBC)
 - Crown Speciality Packaging UK Ltd (private sector application, assisted by Sefton MBC)
18. Other Merseyside successes include:
- City Council-led joint bid for £25m to redevelop the Buffer Zone between the City Centre and Liverpool Waters (Tobacco Warehouse, area north of Leeds St, Eldonians Energy Centre)
 - University of Liverpool
 - Harpscreen (GB) Ltd (private sector application, assisted by TMP)
 - Redx Pharma Ltd (private sector application, assisted by Liverpool CC)
 - Getrag Ford Transmissions (private sector application, assisted by Liverpool CC)
19. The collaboration with Liverpool has proved extremely productive, with two major RGF approvals located in the North Liverpool/South Sefton SRF area: the Buffer Zone, and Port Expansion at Seaforth. The combined value of these awards is £62m. They are forecast to generate 6,400 jobs over 5 years. This is a substantial investment in a rundown area, bringing hope to many local jobseekers and suppliers. The RGF funding will be the trigger for other public and private investment to create a cumulative regenerative effect.
20. In more detail, the three projects benefitting Sefton are:

A. River Dredging & River Berth, Seaforth

£35 million of grant has been offered to support a £40.8 million investment in dredging the Mersey estuary approaches.

This deeper channel will increase the tidal window for all river users of the estuary, and allow next generation deep-sea container vessels to access the Mersey ports.

All estuary users will benefit from this investment in “public infrastructure”.

The Mersey Docks and Harbour Company is the statutory harbour authority for the Port of Liverpool and the Mersey ports. It is now owned by Peel Ports.

The RGF application for River Dredging was made on the basis that Sefton Council would act as accountable body on behalf of Peel Ports. This is because the river dredging benefits all river users and therefore a grant award will not directly benefit any individual commercial port user, which is currently prohibited under EU and UK law as anti-competitive (“state aids”). The Council would be responsible for procurement, and the current proposal is for Peel to act as managing agent for the actual construction.

This distinction between common benefits and private benefits is important because in their commercial role, Peel Ports is investing heavily in new harbour assets to realise the full benefit of the deeper channel to its quays and facilities on both banks of the Mersey and the Manchester Ship Canal.

Specifically, it has promised to build a new River Container Terminal at Seaforth, operational from 2014 and costing Peel £226 million. The new terminal will trigger the inland development of what they term port-centric distribution facilities. Up to 140 hectares of land between Derby Rd and Regent Rd is required for development of warehousing, goods handling and value-added processing. This will allow the Port to handle road, rail and water-borne traffic thus reducing costs and making environmental savings in terms of removing unnecessary transport legs. The dredging and River Terminal will together create 408 construction jobs, with a further 4,600 jobs to follow in port-based industry and logistics over the next decade.

Officers are currently investigating how other river users intend to take advantage of the deeper channel. Supplying this evidence to BIS is an important stage in demonstrating that the development is not state aids but of general benefit.

The River Dredging project has to pass through a “due diligence” appraisal that could take several months. It will include the preparation of a legal agreement between the Council and Peel (as statutory harbour authority) regarding project governance, financial accountability, the management of procurement, and the maximisation of benefits for the local community including jobs, skills and the local environment.

Officers have approached accountable body status with due concern for risk assessment and mitigation. This relates not so much to the river dredging itself as the River Terminal and associated inland development with which it is inextricably linked:

- A functioning river berth would quickly place additional pressures on an already overloaded road network – the findings of the Access to the Port of Liverpool Study details delivery strategy and timescales which includes a

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combination of local sustainable transport measures, sustainable freight interventions and from 2020 additional highway solutions.

- We have reached the limits of what can be delivered through environmental mitigation measures – considerable additional investment is needed to avoid unacceptable environmental (and financial) penalties
- Therefore the only way to make Peel's investment at Seaforth acceptable (and to deliver the wider vision for SuperPort) is to invest in the wider area adjacent the Port
- This presents a significant opportunity to use Peel's investment as a lever to attract other public and private sector investment into a comprehensive programme of improvement in the local community, to create a better Seaforth and to eliminate at source the interference of port and city.

The objective must be compensating benefits for the local area near to the Port 's Dock Estate which might otherwise bear only the costs of port expansion.

Any proposal for port expansion requires careful handling given the unsettled history of port/city relations in the past decades. Officers have considered the following scenario:

- The Council sets ground rules with the statutory harbour authority, including a commitment to cover the Council's pre-development and accountable body costs for the project, and complete indemnification of the Council against all losses and liabilities arising from the project
- The Council signs a legal agreement with the statutory harbour authority cementing in place these ground rules, allowing the Council to sign the unconditional offer letter from BIS and assume ultimate control of the project as accountable body
- The Council commissions a Wide Area Study to evaluate the principle land-use, transportation, residential, commercial, energy and infrastructure options; and to recommend the option or options which most improve environmental quality and regenerate the wider community while meeting the legitimate business requirements of the Port
- Following appropriate consultation, and in support of the preferred option(s), the Wide Area study will produce a detailed spatial masterplan for the next 20 years. It will be accompanied by a review of novel methods of attracting finance and new types of delivery vehicle, and a costed investment plan, to ensure the vision is achievable.

Officers have secured the in-principle support of Homes & Communities Agency, Liverpool Council and Peel Ports for funding to undertake the Wide Area Study, which could be co-financed by Sefton Council from within existing resources.

B. Crown Speciality Packaging UK Ltd

Crown Holdings, Inc. is a leading manufacturer of packaging products for consumer marketing companies around the world. Crown make a wide range of metal packaging for food, beverage, household and personal care and industrial products and metal vacuum closures and caps. As of December 31, 2009, the Company operated 136 plants located in 41 countries, employing 20,510 people.

The Heysham Road plant has been operational since 1914. Crown have Investors In People Award with current full time workforce of 113 people and up to 20 temporary workers during peak demand periods.

Crown was looking to move the operation away from its current location to a more efficient facility to reduce its cost base and safeguard current jobs through investment in this project. However, the RGF grant will allow the company to re-invest in its Heysham Road site and retain production capacity on Mesreyside.

C. Employment and Housing: Anfield and Queens Bedford

Liverpool CC will be accountable body for this project. The main objective is to create new jobs and improve skills in the construction industry and its supply chain, through the development of new homes.

It will continue to rejuvenate a failed housing market and complement and encourage wider economic growth through significantly increasing the proportion of privately owned dwellings for occupation by economically active households thus reducing local dependency on benefits. It will deliver major environmental improvements to areas blighted by structural economic change. It will complement other initiatives in north Liverpool, including the recently announced Enterprise Zone, and other RGF bids.

The main objectives of the project are to:

- Secure private sector employment and skills training in a sector badly affected by the recession and in an area of England in which there is a relative shortage of private sector jobs;
- Enable site assembly for private sector investment in new housing, thus building on private / public sector investment to date; and
- Remove obsolete housing thus widening choice and improving the quality of the local environment.

The funding being bid for will assemble sites. Keepmoat Homes Ltd will then develop them out as sites for new homes for sale by and without the requirement for further public subsidy. This will be realised by utilising secured Keepmoat significant private sector investment.

The project will create a maximum of 122 direct full time equivalent jobs, including 10 locally recruited apprentices directly employed by Keepmoat. The remaining direct jobs will be created as a direct result of the construction sites being brought forward and will consist of a mix of Keepmoat employees and jobs with Keepmoat's subcontractors.

Keepmoat will be developing approximately 505 new family homes. Of these, 55 will be located in Sefton. The new homes will be predominantly for private sale, but with a mix including shared ownership and rent in order to provide housing choice. Increasing owner occupation in the area will help to support local businesses and provide confidence to future private sector investors.

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RGF Round 3

21. In the Chancellor's Autumn Statement 2011, a third round of RGF was announced, with an extra £1 billion set aside for projects. The programme is extended into 2014-15. As one of the government's main funding tools, it is important that we prepare early to take advantage of this resource, the value of which will be reinforced when the new European funding allocations for Merseyside 2014-20 are announced at the end of the year.

Report to: Planning Committee Cabinet	Date of Meeting: 11 January 2012 16 February 2012
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Subject: Local Development Scheme for Sefton

Report of: Director of Built Environment **Wards Affected:** All

Is this a Key Decision? Yes **Is it included in the Forward Plan?**
No

Exempt/Confidential No

Purpose/Summary

To explain the purpose and proposed content of Sefton's draft Local Development Scheme (LDS) for 2012, available to view at www.sefton.gov.uk/LDS, and seek Members' approval for the submission of the document to the Department for Communities and Local Government

Recommendations

That Planning Committee recommends that Cabinet and Council

Approve the draft Local Development Scheme, for submission to the Department for Communities and Local Government

That **Cabinet:**

- 1) Approve the draft Local Development Scheme for submission to the Department for Communities and Local Government; and
- 2) Note that the proposal was a Key Decision but, unfortunately, had not been included in the Council's Forward Plan of Key Decisions. Consequently, the Chair of the Overview and Scrutiny Committee (Regeneration and Environmental Services) had been consulted under Rule 15 of the Access to Information Procedure Rules of the Constitution, to the decision being made by Cabinet as a matter of urgency on the basis that it was impracticable to defer the decision until the commencement of the next Forward Plan because there is a need to have an up-to-date Local Development Scheme. This is purely for procedural reasons, as the independent Inspector for the forthcoming Merseyside Waste Plan will check whether the timescales in each authority's Local Development Scheme are up-to-date and contain accurate dates for the Waste Plan.

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How does the decision contribute to the Council's Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		✓	
2	Jobs and Prosperity		✓	
3	Environmental Sustainability		✓	
4	Health and Well-Being		✓	
5	Children and Young People		✓	
6	Creating Safe Communities		✓	
7	Creating Inclusive Communities		✓	
8	Improving the Quality of Council Services and Strengthening Local Democracy	✓		

Reasons for the Recommendation:

To meet the requirements of the Planning and Compulsory Purchase Act 2004 (as amended) and Regulations in relation to the preparation of the Council's Local Development Framework.

What will it cost and how will it be financed?

(A) Revenue Costs

The Local Development Scheme (LDS) identifies a number of activities that are needed to make progress with the Local Development Framework that have financial implications. This will include updating some of our key evidence and the cost of an examination in public.

This continuing work with the Core Strategy presents a budget pressure for the next few years, as there is currently no identified budget to meet the full anticipated costs of the strategy through to adoption in 2014/15. Following further discussion with the Head of Finance and ICT a report setting out estimated costs and timescales will be prepared in early 2012.

(B) Capital Costs

None

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal

It is a statutory requirement to have an up-to-date Local Development Scheme

Human Resources N/a		
Equality		
1.	No Equality Implication	<input checked="" type="checkbox"/>
2.	Equality Implications identified and mitigated	<input type="checkbox"/>
3.	Equality Implication identified and risk remains	<input type="checkbox"/>

Impact on Service Delivery:

Will assist in the project management of Local Developments Documents and inform members of the public to when they can be involved in the planning policy process.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance (FD1241) and Head of Corporate Legal Services (LD 602/11) have been consulted and any comments have been incorporated into the report.

Are there any other options available for consideration?

No – it is a statutory requirement to have an up-to-date Local Development Scheme.

Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet/Cabinet Member Meeting

Contact Officer: Steve Matthews

Tel: 0151 934 3559

Email: steve.matthews@sefton.gov.uk

Background Papers:

None

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1. Introduction

- 1.1 Under the 2004 Planning and Compulsory Purchase Act each Local Planning Authority is required to produce a Local Development Framework (LDF). This is effectively a portfolio of planning documents of which the key ones for Sefton are the Core Strategy and the joint Merseyside Waste Plan. We are also required to produce a 3-year project plan in the form of a Local Development Scheme in order to help us effectively manage and allocate resources to the production of planning documents.
- 1.2 The LDS must include the key milestones or stages for preparing each Development Plan Document, including when consultation will be undertaken, when we will submit the document to the Secretary of State and when we intend to adopt the document.

2. What does the Local Development Scheme contain?

- 2.1 The draft LDS can be viewed at www.sefton.gov.uk/LDS. Sections 1 to 3 provide an introduction to Sefton and Sefton's current development plan. Section 4 provides a review of the previous Local Development Scheme and our progress in meeting the timetable it sets out.
- 2.2 Section 5 is the heart of the LDS explaining what planning documents we intend to prepare and why. It summarises how the documents fit together, the areas they affect, and the timescales for producing them.
- 2.3 Section 6 outlines the requirements of sustainability appraisal and strategic environmental assessment in the development of planning policy. The purpose of these is to ensure that planning policies help to promote sustainable development. Section 7 gives an indication of the resources required to meet the timetable set out in the LDS. Section 8 provides an outline of the studies and background work that have been completed or are underway. These are essential to justify the policies which are proposed. Finally a risk assessment is included at section 9 to show how we will work to avoid delays and errors in the plan making process.

3 Priorities within the Local Development Scheme

- 3.1 The top priority for the next three years is the **Core Strategy**. This is the document that will set out the vision, strategy and core policies for the 'spatial' development of Sefton over the next 15 to 20 years. It will aim to reflect the vision and objectives of other strategies prepared both within the Council [e.g economic development strategy] and by our partners [e.g in relation to health issues].
- 3.2 A working group of Members will be set up to guide the next stage of preparation of this document. Studies have taken place on a wide variety matters which are essential background to the Core Strategy, such as housing, employment, retailing and flood risk. There was a wide-ranging consultation in 2011, including drop-in events across Sefton and presentations to local groups. This has resulted in an improved understanding of the issues and challenges facing Sefton, and people's perceptions of how these might best be addressed. Work will continue to use this information to help shape the preferred option for the Core Strategy.

3.3 The key dates for the Core Strategy, as set out in the LDS, are:

Early consultation	To November 2012
Options consultation	(May to August 2011)
Preferred options consultation	(September to November 2012)
Publication of submission (final draft) Core Strategy	April 2013
Submission of Core Strategy to Secretary of State	July 2013
Pre-examination hearing	September 2013
Examination in public	November 2013
Receipt of Inspector's Report	February 2014
Adoption of Core Strategy	April 2014

Emerging best practice has suggested that authorities expand the scope of their Core Strategy to include site allocations and development management policies. Given the time taken to prepare the Core Strategy to its current state in Sefton it is likely that this is the path we will take rather than producing separate documents. We have therefore not programmed a separate Site Allocations or Development Management DPD in this LDS. We have also removed the Seaforth Area Action Plan, which had been in the previous LDS, as the scope of this document will need to be reviewed in light of proposals for the growth of the Port and any issues arising from the Retail Strategy Review update with regard to Seaforth centre. Further information will be provided in future updates of the LDS.

3.4 Work on the **Joint Merseyside Waste DPD** ['Waste Plan'] is now approaching completion. The preparation of the Waste DPD is a priority to meet Government targets for managing waste in a more sustainable manner. In particular, Merseyside needs to reduce its reliance on landfill by providing alternative facilities for recycling, reprocessing, treatment and disposal.

3.5 The Merseyside authorities (Liverpool City Council, Knowsley Council, Sefton Council, St. Helens Council, Wirral Council and Halton Council) have agreed to prepare this DPD jointly. This work is being led by the Merseyside Environmental Advisory Service. Consultation on the 2nd stage of Preferred Options took place in mid-2011. The draft Waste Plan is scheduled to be submitted to the Secretary of State in February 2012, the examination is due in June 2012, and adoption is anticipated by the end of 2012.

4. Financial Implications

4.1 The cost of producing Local Development Documents has in the past been partly met from Housing and Planning Delivery Grant. This has primarily been used to fund studies and pay towards consultation costs. The studies have cost in the region of £220,000 over the past five years. A number of these will need to be updated or 'refreshed' and financial provision will need to be made to cover these costs. At this stage it is difficult to estimate the cost of reviewing the evidence as it will depend on the approach to be taken in the Preferred Option, the next stage in

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the development of the Core Strategy. This will be the subject of a further report in early spring, but the costs are anticipated to be more than half of the original total cost of producing the evidence. Further information on the cost implications and how these will be met will be provided in subsequent reports when the extent of the new evidence required is known.

5. Risk Assessment

- 5.1 Developing a programme for the production of documents for a three-year period raises a number of potential risks. Failure to meet committee dates as set out in the project plan may arise for a number of reasons. Potential risks, and how they will be anticipated, are set out in section 9 of the LDS.

Report to: Cabinet **Date of Meeting:** 16 February 2012

Subject: Redundancy Pay Policy

Report of: Director of Corporate Support Services **Wards Affected:** All

Is this a Key Decision? No

Is it included in the Forward Plan?
No

Exempt/Confidential

No

Purpose/Summary:

Further to Minute No. 33 of the meeting of the Overview and Scrutiny Committee (Performance and Corporate Services) held on 6th September 2011, the Cabinet at its meeting on 10th November 2011 considered the report of the Head of Corporate Personnel in relation to a survey of the redundancy payments in other Councils.

It was resolved that:

- (i) the report be noted; and
- (ii) the Director of Corporate Support Services be requested to raise the issue of redundancy pay policy across the region at the next meeting of the North West Employers (NWE) Human Resources (HR) Committee and report back to Cabinet.

The Director referred this matter to the meeting of the HR Committee on 6th December 2011 which he attended.

The purpose of this report is to confirm the outcome of the meeting relative to the matter in question.

Recommendation(s)

That the points highlighted by the North West Employers Human Resources Committee at its meeting on 6th December 2011, and confirmed in a letter of 16th December 2011 to the Director of Corporate Support Services, be noted.

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How does the decision contribute to the Council's Corporate Objectives?

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		✓	
2	Jobs and Prosperity		✓	
3	Environmental Sustainability		✓	
4	Health and Well-Being		✓	
5	Children and Young People		✓	
6	Creating Safe Communities		✓	
7	Creating Inclusive Communities		✓	
8	Improving the Quality of Council Services and Strengthening Local Democracy		✓	

Reasons for the Recommendation:

To respond to Minute No. 63 of the meeting of Cabinet held on 10th November 2011.

What will it cost and how will it be financed?

(A) Revenue Costs N/A

(B) Capital Costs N/A

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal	N/A
Human Resources	N/A
Equality	
1. No Equality Implication	<input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated	<input type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

Impact on Service Delivery:

N/A

What consultations have taken place on the proposals and when?

The Head of Corporate Finance (FD.1266) and Head of Corporate Legal Services (LD.662/12) have been consulted and any comments have been incorporated into the report.

Are there any other options available for consideration?

Not applicable in the context of reporting back the North West Employers (HR Committee) views

Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet/Cabinet Member Meeting

Contact Officer: Mike Fogg
Tel: 0151 934 4081
Email: mike.fogg@sefton.gov.uk

Background Papers:

The following papers are available for inspection by contacting the above officer(s).

- Report to Overview & Scrutiny (Performance and Corporate Services) – 6.9.2011.
- Report to Cabinet – 10.11.2011
- Report of the North West Employers (NWE) Director of Workforce & Employment to the meeting of the NWEO HR Committee held on 6.12.2011.

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COMMENTS

1. Further to Minute No. 33 of the meeting of the Overview and Scrutiny Committee (Performance and Corporate Services) held on 6th September 2011, the Cabinet at its meeting on 10th November 2011 considered the report of the Head of Corporate Personnel in relation to a survey of the redundancy payments in other Councils.
2. It was resolved that:
 - (i) the report be noted; and
 - (ii) the Director of Corporate Support Services be requested to raise the issue of redundancy pay policy across the region at the next meeting of the North West Employers (NWE) Human Resources (HR) Committee and report back to Cabinet.
3. The Director referred this matter to the meeting of the HR Committee on 6th December 2011 which he attended.
4. Attached at Annex A is a copy of a letter from the NWE's Director of Workforce & Employment confirming the details of the HR Committee's discussion.

Mike Fogg
Director of Corporate Support Services
Sefton MBC

16 December 2011

Dear Mike,



NW EMPLOYERS HR COMMITTEE – 6 DECEMBER 2011

In advance of the formal minutes for the North West Employers HR Committee (6 December 2011) being sent out I thought it may be useful to confirm details of the discussion at the committee to enable you to report back to Cabinet.

The HR Committee considered the issue of redundancy pay policy across the region, as requested by Sefton MBC.

As background information the committee reviewed the employer intelligence output on redundancy pay policy from November 2010 and survey information gathered by Sefton MBC August 2011.

The committee discussion highlighted the following points:

- The policies and procedures that determine the circumstances, calculation and financial constraints of redundancy pay vary across the region,
- Authorities have locally determined policy objectives associated with managing reductions within the workforce. Flexibility in determining the appropriate structure of redundancy pay, within the limits of discretion, remains important to individual authorities. The HR Committee considered well informed local determination remained appropriate for the region's interests.
- NW Employers has an important role in keeping authorities informed of good practice in this and other policy areas and the 'Employer Zone' in NW Connex provides a store for such employer information. The employer intelligence survey on redundancy pay is to be refreshed at the end of 2011 to capture recent changes.
- The Localism Act will require all authorities to publish a policy statement including its arrangements for determining severance payments by April 2012, therefore more detail of the different policies and the objectives that lie behind the varying approaches will be publicly available.

The HR Committee aims to ensure that Sefton MBC and all other North West Employers' members are well informed for their local decision making on redundancy policy and payments.

I hope that the above summary may assist you in advance of the minutes. Please contact me if you have any queries.

Yours sincerely,

Keith Power
Dir. Workforce & Employment



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